

light, or power. It is the administration's job to see to it that the burden is equitably distributed, and, further, to take such steps as are necessary for gradually diminishing it, until at last it becomes as unimportant as it was in the days of our past prosperity when nobody noticed it.

We pledged our party to this duty in the campaign just closed. The vote of confidence is evidence that that pledge was accepted. Now we have to make it good, and I have no doubt that our majorities in Congress, of which I am so proud, will live up to that party's promise. Naturally they will be beset by enthusiasts who regard the new deal as the opening for those extreme measures which we label socialistic or communistic. Naturally they will be importuned by those who regard any departure from what has been done in the past as dangerous and unconstitutional radicalism. I do not imagine that anybody is much worried over the idea that the President's good old-fashioned horse sense will be missing from the administration's course in this situation.

There is no one less likely to overturn the apple cart than he. For nearly 2 years now he has conducted the affairs of his great office to the satisfaction of the people. He has been exposed at all times to the gales of conflicting opinion that will blow so fiercely about the coming Congress. The conservatives have clamored that he has arrogated to himself powers he should not have and that he was being swayed by theorists and economic visionaries. The liberals have been equally violent in their protests that he had stopped short in his policies and processes of what they deem the ideal government. He has listened to all of them but has yielded to none of them. He has kept his head and exercised his own wise judgment, based on years of experience in government and with a full perception of the consequences of his exercise of the powers conferred on him by the last Congress.

He has been accused of subjecting the legislative branch of the Government to his will, which is a silly accusation, for, while he has recommended much and generally had his recommendations sustained, he has dictated not at all. He had a plan, and Congress confirmed that plan in its essentials; and there is no reason to believe that the coming Congress will not cooperate with him as effectively as did its predecessor.

In a great measure the old Members have come back and the new Members of our vast majority are men of substance, of character, and are respected members of their Commonwealths. With few exceptions they were elected on platforms approving the President's policies. I feel quite safe in assuring this audience tonight that the Seventy-fourth Congress will not only be thoroughly appreciative of its responsibility to the party, but—what is of more importance—that it will realize and live up to its sacred obligations to our country.

#### DEATH OF REPRESENTATIVE ANTHONY J. GRIFFIN

The PRESIDING OFFICER laid before the Senate the following resolution from the House of Representatives, which was read:

##### House Resolution 51

*Resolved*, That the House has heard with profound sorrow of the death of Hon. ANTHONY J. GRIFFIN, a Representative from the State of New York.

*Resolved*, That a committee of four Members of the House with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That, as a further mark of respect, this House do now adjourn.

Mr. COPELAND. Mr. President, the State of New York is represented in the Congress by 47 men and women. It so happens that we have just lost by death a Representative who has been here longer than any other Representative from the State, I think, with one exception, that exception being a man who was here a few days longer.

Representative GRIFFIN was known to all of us as a capable, energetic man, a fair-thinking man, a man of great capacity. His death is a great personal loss to me, and it is with great sorrow that I have learned of his passing.

I send to the desk a resolution, which I ask to have read, and for which I ask present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 54) was read, considered by unanimous consent, and unanimously agreed to, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. ANTHONY J. GRIFFIN, late a Representative from the State of New York.

*Resolved*, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. The Chair appoints as the committee on the part of the Senate the Senators from New York [Mr. COPELAND and Mr. WAGNER].

Mr. COPELAND. As a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, January 16, 1935, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate January 15 (legislative day of Jan. 14), 1935*

##### MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION

Anning S. Prall, to be a member Federal Communications Commission.

##### POSTMASTERS

##### ARKANSAS

Clyde S. Airheart, Augusta.  
Herman Cross, Blytheville.  
Clinton H. Northcutt, Decatur.  
Thomas M. Coker, Glenwood.  
Howard E. Powell, Gurdon.  
Ella B. Mitchell, Havana.  
Charles L. Moore, Helena.  
Jerry J. Simpson, Huntsville.  
Alonzo E. Nelson, Judsonia.  
Clark H. Griscom, Lincoln.  
Richard S. Remy, Mulberry.  
Ross L. Lawhon, North Little Rock.  
William B. Hunter, Parkin.  
Mark B. Craig, Russellville.  
Horatio J. Humphries, Salem.  
Lewis B. Mason, Swifton.

#### SENATE

WEDNESDAY, JANUARY 16, 1935

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, who hast called us to a life of service in which are mingled joy and pain to the understanding of the soul's true weal, draw us closer at this moment to Thyself, as in reverent sympathy we draw close to him our friend and colleague, upon whom this unexpected shadow has so lately fallen.

Enfold him and those so near and dear to him in Thy sheltering arms of love; draw them closer to Thy mercy's breast; give them the strength and comfort of Thine own indwelling, the inward peace that passeth understanding, which the world can neither give nor take away, the peace of God, revealed through Him, who on the cross hath vanquished death and opened unto us the gate of everlasting life, Jesus our Savior and Redeemer. Amen.

##### THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day, Tuesday, January 15, 1935, when, on request of Mr. ROBINSON and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

##### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

##### CALL OF THE ROLL

Mr. NORRIS. I suggest the absence of a quorum.  
The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Loneragan	Schall
Bailey	Cutting	Long	Schwellenbach
Bankhead	Davis	McCarran	Sheppard
Barkley	Dickinson	McGill	Shipstead
Bilbo	Dieterich	McNary	Smith
Black	Donahay	Maloney	Steiner
Bone	Duffy	Metcalf	Thomas, Okla.
Borah	Fletcher	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Pittman	Wheeler
Clark	Johnson	Pope	White
Connally	Keyes	Radcliffe	

Mr. LEWIS. I announce the absence of the Senator from Georgia [Mr. GEORGE], occasioned by illness, and also the absence of the Senator from Louisiana [Mr. OVERTON], likewise caused by illness.

I wish also to announce that the Senator from Pennsylvania [Mr. GUFFEY] has been called away from the Capitol by official business, and I announce again that the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. McADOO], and the Senator from Tennessee [Mr. McKELLAR] are still absent on business of the Senate as members of the Philippine Commission.

Mr. NYE. I desire to note for the RECORD the absence of my colleague [Mr. FRAZIER] on account of a death in his family.

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines on the business of the Senate; that the Senator from New Jersey [Mr. BARBOUR] and the Senator from South Dakota [Mr. NORBECK] are unavoidably detained; and that the Senator from Wyoming [Mr. CAREY] is absent on account of a death in his family.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

#### THE WORLD COURT (S. DOC. NO. 11)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, ordered to lie on the table, and to be printed, as follows:

#### To the Senate:

The movement to make international justice practicable and serviceable is not subject to partisan considerations. For years Republican and Democratic administrations and party platforms alike have advocated a court of justice to which nations might voluntarily bring their disputes for judicial decisions.

To give concrete realization to this obviously sound and thoroughly American policy, I hope that at an early date the Senate will advise and consent to the adherence by the United States to the Protocol of Signature of the Statute of the Permanent Court of International Justice, dated December 16, 1920, the Protocol for the Revision of the Statute of the Permanent Court of International Justice, dated September 14, 1929, and the Protocol for the Accession of the United States of America to the Protocol of Signature of the Statute of the Permanent Court of International Justice, dated September 14, 1929, all of which were submitted to the Senate December 10, 1930.

I urge that the Senate's consent be given in such form as not to defeat or to delay the objective of adherence.

The sovereignty of the United States will be in no way diminished or jeopardized by such action. At this period in international relationships, when every act is of moment to the future of world peace, the United States has an opportunity once more to throw its weight into the scale in favor of peace.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

#### EXECUTIVE ORDERS RELATING TO VETERANS' REGULATIONS

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, ordered to lie on the table, as follows:

#### To the Congress of the United States:

Pursuant to the provisions of section 20, title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Orders No. 6775 (Veterans' Regulation No. 6 (c)) and No. 6776 (Veterans' Regulation No. 8 (a)), approved by me June 30, 1934.

Executive Order No. 6775 amends Executive Order No. 6566 (Veterans' Regulation No. 6 (b)), January 19, 1934, and Executive Order No. 6776 effected the cancellation of Executive Order No. 6096, March 31, 1933.

These regulations were promulgated in accordance with the terms of title I, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

#### LAWS AND RESOLUTIONS OF PHILIPPINE LEGISLATURE

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs:

#### To the Congress of the United States:

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith a copy of Act No. 4104, passed by the Ninth Philippine Legislature at its third session, and a set of the laws and resolutions enacted by the Ninth Philippine Legislature during its third special session, from April 30 to May 5, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

#### REPORT OF GOVERNOR GENERAL OF THE PHILIPPINES (H. DOC. NO. 32)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Territories and Insular Affairs:

#### To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands for the calendar year 1933, together with appendixes, consisting of abridged reports of the heads of the six departments of the Philippine government for the calendar year 1933.

I concur in the recommendation of the Secretary of War that this report and its appendixes be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

(NOTE: Report accompanied similar message to the House of Representatives.)

#### GENERAL RULES AND REGULATIONS OF BOARD OF SUPERVISING INSPECTORS, STEAMBOAT INSPECTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting, pursuant to law, copies of the four classes of general rules and regulations prescribed by the Board of Supervising Inspectors under the Bureau of Navigation and Steamboat Inspection, with



supplements thereto for the years 1932, 1933, and 1934, and stating that the fifty-first supplement, covering the new boiler rules adopted by an executive committee of the Board of Supervising Inspectors and approved by the Secretary of Commerce, will be transmitted later, which, with the accompanying documents, was referred to the Committee on Commerce.

#### REPORT OF THE CHESAPEAKE & POTOMAC TELEPHONE CO.

The VICE PRESIDENT laid before the Senate a letter from the vice president of the Chesapeake & Potomac Telephone Co., transmitting, pursuant to law, the report of the company for the calendar year 1934, with the results of the operations for the month of December estimated only, which, with the accompanying report, was referred to the Committee on the District of Columbia.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from the Woman Citizens Union, of New Orleans, La., praying for the continuance of the investigation of munitions manufacturers, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a letter in the nature of a petition from the Woman Citizens Union, of New Orleans, La., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the city council of Cambridge, Mass., favoring the enactment of legislation authorizing the immediate payment of the so-called "veterans' bonus", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted at a labor mass meeting assembled at Rockland Palace, One Hundred and Fifty-fifth Street and Eighth Avenue, New York City, N. Y., condemning lynching and mob law, and favoring the enactment of antilynching legislation, which were referred to the Committee on the Judiciary.

Mr. CAPPER presented a petition of sundry citizens of Marshall County, Kans., praying for the prompt passage of the so-called "Frazier-Lempke farm refinancing bill", which was referred to the Committee on Agriculture and Forestry.

Mr. WAGNER. I present and ask to have printed in the RECORD and appropriately referred a memorial from the National Association of Letter Carriers, favoring the repeal of the salary reduction law affecting Federal employees.

There being no objection, the memorial was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

A MEMORIAL FOR REPEAL OF THE SALARY REDUCTION AS AUTHORIZED IN TITLE II, SECTIONS 2 AND 3, OF THE ACT ENTITLED "AN ACT TO MAINTAIN THE CREDIT OF THE UNITED STATES GOVERNMENT", APPROVED MARCH 20, 1933, AS AMENDED BY THE INDEPENDENT OFFICES APPROPRIATION ACT, 1935

To the Senate and House of Representatives, Seventy-fourth Congress:

The National Industrial Recovery Act was based in large measure upon the sound economic doctrine that recovery is impossible unless the wage-earners possess abundant purchasing power. In the pursuit of this objective, the N. R. A. for a year and a half has sought to increase wages in private employment.

The Government had an excellent opportunity to furnish an inspiring example to private business, and so hasten recovery. By far the largest employer in the country, it was under a moral obligation to treat its workers as it insisted that private employees be treated.

The same Congress that enacted the N. R. A., however, slashed postal and other governmental salaries 15 percent. This unwise move, besides inflicting unnecessary hardships upon a large body of faithful civil servants, intensified the depression by reducing purchasing power. By furnishing the worst possible example to private employers, it encouraged general wage cutting, and made genuine cooperation in the recovery effort difficult to obtain.

Part of the injustice has since been remedied by the restoration of one-third of the cut as of February 1, 1934, and an additional third on July 1, 1934. A 5-percent pay cut still remains in effect, however, and will not expire, in the absence of congressional action, before June 30, 1935. The elimination of that cut and the restoration of full basic salaries as of January 1, 1935, is a simple act of justice that would improve living standards among Federal workers, encourage private employers to take similar action, increase the purchasing power of the workers, heighten the confidence of business men, and so provide an important impulse toward recovery.

The postal workers had suffered losses in real wages before the depression. By 1914 Prof. Paul Douglas, of the University of Chicago, showed that the real wages of postal workers were 9 percent less than in the nineties. The rise in living costs during the war caused a further sharp drop in their living standards, and as late as 1926 their real wages were still 4 percent below the level of the nineties. This was in sharp contrast with the gains made by workers in other industries. Since 1920, it is true, postal workers have made slight gains in real wages, due to a fall in the cost of living; but these gains have been far too small to compensate for the earlier losses.

In the meantime real hourly wages in other industries were advancing rapidly. By 1929 they showed a gain of 36 percent over 1913, as contrasted with a 2-percent in real postal salaries. In 1931, when a fall in living costs had made real wages of postal workers 17 percent greater than in 1913, real hourly wages of union workers in general were 79 percent above the same base year. There was no warrant, therefore, for reducing postal salaries because of the depression.

Nevertheless, the pay of postal workers was cut several times. The Economy Act approved June 30, 1932, furloughed letter carriers and other employees for 1 month without pay during the fiscal year ending June 30, 1933. This was equivalent to a reduction of 8½ percent of the annual salary. The act likewise suspended annual leave with pay and made conditions worse in other respects. Furthermore, an act approved March 20, 1933, imposed a pay cut based upon living costs and permitted a maximum reduction of 15 percent. This maximum reduction was in effect from April 1, 1933, to January 31, 1934. It is this cut, now limited to 5 percent, which is still in effect. In addition, postal workers were required during the fiscal year that ended June 30, 1934, to take payless furloughs totaling 11 days. The conclusion is inescapable that postal workers have borne far more than their share of the burdens of the depression.

The very real likelihood that prices will rise rapidly in 1935 requires the restoration of full basic salaries as of January 1, 1935. The cost of living has risen steadily since April 1933 and the various devices employed by the Government to raise the price level, plus the stimulus of reviving business, are expected to cause further increases in 1935. In the past postal salaries have lagged behind increases in the cost of living, and during the interval the standard of living of postal workers has suffered. There is no excuse for allowing that to happen in the first half of 1935.

The provision in the act of March 20, 1933, by which postal salaries in the period following were to be measured by the cost of living, is highly dangerous and utterly repugnant to the philosophy upon which wages should be based. Congress should at once end this plan of fixing salaries by price levels, and so making any gain in real wages impossible. Sound social policy, as well as the steadily increasing productivity of postal workers, entitles them to an advancing standard of living.

The sum necessary to restore postal wages to their full basic amount as of January 1, 1935, instead of waiting for the automatic restoration scheduled for June 30, 1935, is trifling, compared to the magnitude of current governmental expenditures. Whereas total Federal expenditures for the fiscal year 1931, for example, were only \$4,219,950,339, by December 6, 1934, in a little over 5 months, the expenditures of the current fiscal year had already passed the \$3,000,000,000 mark. Emergency expenditures have assumed huge proportions, with \$1,568,627,403 being spent for such purposes between July 1 and December 4, 1934. The deficit no longer alarms the Government, for it recognizes that in a war on depression, as in a military campaign, the cost is not the controlling factor.

The current advance in business, moreover, has led to a widespread feeling of confidence that business conditions in 1935 will continue to improve. Nothing could better stimulate this confidence than a decision by the Government to restore the full basic salaries of its employees; and, conversely, the Government's failure to make this move would indicate that it expected hard times to continue and might therefore exert a serious adverse effect upon the business confidence so essential to recovery. It should be recognized, moreover, that mere confidence is of little consequence unless adequate purchasing power is available.

Nor can it be argued any longer that more adequate wage payments to postal workers are barred by a postal deficit. That argument never had any validity. Thanks to the sacrifices made by postal workers, however, there is now a postal surplus instead of a deficit.

For the fiscal year ending June 30, 1933, the gross deficit was \$112,374,892, and the net deficit \$50,683,000. For the fiscal year ending June 30, 1934, after the regular authorized adjustments for certain subventions and free mailing services had been deducted from a gross deficit of \$52,000,000, the Department showed a surplus of \$12,161,415. This was the largest surplus in the history of the Postal Service, with the single exception of that for 1918.

According to figures released by Representative ROBERT L. BACON, a member of the House Appropriations Committee, the Post Office Department during the fiscal year 1934 saved \$65,000,000 through the pay cut, \$11,000,000 through the furlough, and \$4,000,000 by cutting allowances and suspending promotions. This represents total sacrifices by the postal workers of \$80,000,000 during the year. It is evident, therefore, that the excellent financial showing of the Department has been made, for the greater part, at the expense of the living standards of the postal employees.

Reviving business has increased postal revenues and made the financial outlook of the Department brighter than for some time. Revenues in October 1934, for example, were approximately 11 per-

cent greater than in the corresponding month of 1933. This tendency is expected to continue in 1935. Postal financial conditions, therefore, amply justify the restoration of full basic salaries as of January 1, 1935.

The impression must not be allowed to prevail, however, that postal salaries should be determined by the profit or loss experienced by the Post Office Department. A more fallacious argument could scarcely be advanced. The post office is a public institution, operated to serve the needs of the mailing public. It should not be judged by the standards commonly applied to business operated for profit, and the salaries of postal employees, in like manner, should not be determined by the balance sheet. In his book on United States Postal Policy, Representative Clyde Kelly, then a member of the House Committee on the Post Office and Post Roads, well expresses the right of the postal worker to "compensation which will enable him to support himself and his family on a standard of living worthy of his service in a vital public enterprise."

The minimum of justice to the great army of devoted postal workers requires the full restoration of basic salaries, effective January 1, 1935. The sacrifices made by postal workers during the depression, the likelihood that living costs will rise sharply in 1935, the current revival of business, the need for mass purchasing power and business confidence, the presence of a postal surplus instead of the usual deficit, and the right of loyal civil servants to an adequate and rising standard of living, all combine to make immediate pay restoration the least that the Government can do in fairness to the postal workers.

Respectfully submitted.

NATIONAL ASSOCIATION OF LETTER CARRIERS,  
COUNCIL OF ADMINISTRATION,

By M. T. FINNAN, *National Secretary*.

JANUARY 1935.

#### REPORT OF THE COMMITTEE ON APPROPRIATIONS

Mr. GLASS, from the Committee on Appropriations, to which was referred the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, reported it with amendments and submitted a report (No. 12) thereon.

#### ADDITIONAL COPIES OF REPORT ON STOCK-EXCHANGE PRACTICES

Mr. HAYDEN, from the Committee on Printing, reported back favorably the resolution (S. Res. 36) submitted by himself on the 7th instant, which was considered by unanimous consent and agreed to, as follows:

*Resolved*, That 4,000 additional copies of the report (No. 1455) of the Committee on Banking and Currency, Seventy-third Congress, second session, on stock-exchange practices, be printed for the use of the Senate document room.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRD:

A bill (S. 1069) to advance Commander Alfred H. Miles to the grade of captain on the active list of the United States Navy; to the Committee on Naval Affairs.

By Mr. DICKINSON:

A bill (S. 1070) for the relief of William A. Thompson; to the Committee on Claims.

A bill (S. 1071) granting a pension to H. Emma Streepy; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 1072) for the relief of Earl N. Everson; and

A bill (S. 1073) for the relief of Louis Finger; to the Committee on Claims.

By Mr. METCALF:

A bill (S. 1074) for the relief of Anna Ventrone; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 1075) for the relief of Louis H. Cordis; to the Committee on Claims.

A bill (S. 1076) relating to the Oregon-Washington Bridge Board of Trustees; to the Committee on Commerce.

A bill (S. 1077) to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries; to the Committee on Irrigation and Reclamation.

By Mr. SHEPPARD:

A bill (S. 1078) to provide that transferors for collection of negotiable instruments shall be preferred creditors of national

banks in certain cases; to the Committee on Banking and Currency.

A bill (S. 1079) authorizing the Secretary of the Treasury to execute a certain indemnity agreement; to the Committee on Finance.

A bill (S. 1080) making provisions in reference to personal injury suits by seamen; to the Committee on Commerce.

A bill (S. 1081) granting a pension to Mary L. Robinson; to the Committee on Pensions.

A bill (S. 1082) for the reinstatement of John Carmichael Williams in the United States Navy; and

A bill (S. 1083) for the relief of Cecil M. Autrey; to the Committee on Naval Affairs.

A bill (S. 1084) for the relief of W. F. Lueders;

A bill (S. 1085) for the relief of W. G. McGee;

A bill (S. 1086) for the relief of Mamie Randel;

A bill (S. 1087) for the relief of the Southern Products Company;

A bill (S. 1088) for the relief of J. H. Bowling;

A bill (S. 1089) for the relief of Arthur N. Knofft;

A bill (S. 1090) for the relief of Amy McLaurin;

A bill (S. 1091) for the relief of the Farmers and Merchants National Bank of Gilmer, Tex.;

A bill (S. 1092) for the relief of First Lt. Francis H. Kuhn; and

A bill (S. 1093) for the relief of the heirs of Frank Boddeker; to the Committee on Claims.

A bill (S. 1094) for the relief of Claude C. Martin;

A bill (S. 1095) for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the War with Germany; and

A bill (S. 1096) authorizing the appointment of Roy M. Kiser as a captain, Dental Corps, Regular Army; to the Committee on Military Affairs.

By Mr. SCHWELLENBACH:

A bill (S. 1097) to amend the naval record of Kenneth A. Kellog, alias Frank Barry; to the Committee on Naval Affairs.

A bill (S. 1098) to exempt the mining claims of disabled veterans from the requirements that labor be performed or improvements made on them; to the Committee on Mines and Mining.

A bill (S. 1099) for the relief of Ethel G. Remington;

A bill (S. 1100) for the relief of the estate of Regnor Dahl;

A bill (S. 1101) for the relief of H. M. Thatcher; and

A bill (S. 1102) conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin; to the Committee on Claims.

A bill (S. 1103) for the relief of William K. Beldin;

A bill (S. 1104) for the relief of Herman Wulff; and

A bill (S. 1105) for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes; to the Committee on Military Affairs.

A bill (S. 1106) granting a pension to Elmer K. Corbett;

A bill (S. 1107) for the relief of Sarah E. Thompson;

A bill (S. 1108) granting a pension to Jacob R. Stiltner; and

A bill (S. 1109) granting a pension to John W. Ferwerda; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 1110) for the relief of A. Randolph Holladay; and

A bill (S. 1111) for the relief of Alfred L. Hudson; to the Committee on Claims.

A bill (S. 1112) authorizing the appropriation of \$600,000, or so much thereof as may be necessary, to refund payments made to the collector of taxes of the District of Columbia for illegally assessed taxes for paving roadways or laying curbs or gutters in the District of Columbia, including penalties charged and paid, as may on the date of approval of this act be legally due Paving Tax Refund Corporation of the District of Columbia, a corporation organized under



the laws of the State of Arizona; to the Committee on the District of Columbia.

By Mr. WALSH:

A bill (S. 1113) for the relief of John A. Flagg; to the Committee on Military Affairs.

By Mrs. CARAWAY:

A bill (S. 1114) extending the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; to the Committee on Finance.

By Mr. SHIPSTEAD:

A bill (S. 1115) to amend section 5219 of the Revised Statutes, as amended (relating to State taxation of national banking associations); to the Committee on Banking and Currency.

A bill (S. 1116) authorizing the establishment of a filing and indexing service for useful Government publications; to the Committee on the Library.

A bill (S. 1117) authorizing the sale of Army rifles to honorably discharged soldiers, sailors, and marines; to the Committee on Military Affairs.

By Mr. DUFFY and Mr. BURKE:

A bill (S. 1118) to authorize the Secretary of the Treasury of the United States to refund to the Bankers Reserve Life Co., of Omaha, Nebr., and the Wisconsin National Life Insurance Co., of Oshkosh, Wis., income taxes illegally paid to the United States Treasury; to the Committee on Claims.

By Mr. BLACK:

A joint resolution (S. J. Res. 34) authorizing the improvement of the Lee Highway between Muscle Shoals and Norris Dam; to the Committee on Post Offices and Post Roads.

#### PROPOSED COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

Mr. SHEPPARD submitted the following resolution (S. Res. 55), which was referred to the Committee on Rules:

*Resolved*, That rule XXV of the Standing Rules of the Senate be, and the same hereby is, amended by adding after the paragraph reading as follows: "Committee on Territories and Insular Affairs, to consist of 17 Senators", a new paragraph reading as follows: "Committee on World War Veterans' Legislation, to consist of 17 Senators."

#### WITHDRAWAL OF PAPERS—ESTATE OF ELIZABETH PURTILL O'BRIEN

Mr. COUZENS. I ask unanimous consent to have the papers in connection with the bill I introduced in the Seventy-third Congress, known as "S. 3308", for the relief of the estate of Elizabeth Purtill O'Brien, a private claims bill, withdrawn from the files of the Senate, no adverse report having been made thereon.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ELECTRIC UTILITY BONDS AND THE INVESTING PUBLIC

Mr. COSTIGAN. Mr. President, a remarkable report of the Federal Power Commission was transmitted to the President of the United States on January 10, 1935, by Vice Chairman Basil Manly. It deals with the present market values of utility bonds issued by operating companies in the United States as distinguished from the stocks and debentures of holding companies and investment trusts. It exposes the characteristic and misleading propaganda recently practiced by certain utility agents.

The report discloses that 121 issues of such bonds last November had a market value of more than \$109,000,000 above the value of such bonds in September 1929, previous to the stock market crash of that year. It further shows by figures and an illustrative chart that the utility bonds of operating companies for which records are available during the last 15 years are today selling at the highest price for that period. The report serves to refute the gloomy intimations of private utility company agents that public operation of power and light plants has proven injurious to the investments of widows, orphans, and estates.

I ask unanimous consent for the publication of this report, including the accompanying illustrative chart, in the CONGRESSIONAL RECORD as part and at the conclusion of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

#### FEDERAL POWER COMMISSION, NATIONAL POWER SURVEY.

To the PRESIDENT:

In response to your request there is submitted herewith report on the present status of public-utility securities held by life-insurance companies and savings banks:

#### INVESTMENTS PRIMARILY IN OPERATING COMPANY BONDS

The utility investments of standard life-insurance companies and savings banks are, and have always been, almost exclusively in the bonds of operating companies. They hold few preferred stocks and practically no common stocks. They have almost no holding-company securities of any kind. This is in accordance with State laws, which impose strict limitations upon the investments of such institutions, prescribing as legal only those regarded as safe and conservative.

The security portfolios of six large life-insurance companies in New York State (Metropolitan, Equitable, New York Life, Guardian, Home, and Mutual Life), having total admitted assets of \$8,518,000,000, have been examined. These companies, as reported by the superintendent of insurance of New York, 1933, have invested in public-utility bonds \$720,000,000, or 8.4 percent of their total assets. They have only \$81,000,000 invested in public-utility preferred stocks, or less than 1 percent of their total assets.

Fifteen large life-insurance companies in other States have total admitted assets of \$7,871,000,000, and have \$753,000,000, or 9.5 percent, in public-utility bonds. They have only \$64,000,000 in public-utility preferred stocks, or eight-tenths of 1 percent of their total assets.

These 21 companies combined have total assets of \$16,389,000,000, representing 79 percent of the admitted assets of all the life-insurance companies in the United States.

These figures are in substantial accord with a report submitted at the twenty-seventh annual convention of the Association of Life Insurance Presidents (December 1933) showing that the investments of 51 legal reserve life-insurance companies in public-utility bonds comprised 8.6 percent of their total assets. Less than 1 percent of the total assets were in utility preferred stocks and less than one-tenth of 1 percent in common stocks. These figures cover telephone, gas, street railway, and other public-service companies in addition to electric utilities. The actual investment of insurance companies in the electric-light and power industry is therefore somewhat smaller than shown above.

A recent bulletin of the Savings Banks Association of the State of New York (Dec. 7, 1934) states that less than 3 percent of the assets of such banks are invested in public-utility bonds and indicates that their investments in utility stocks are negligible.

In view of the fact that utility investments of life-insurance companies and savings banks are thus limited almost exclusively to bonds, inquiry has been directed primarily to determining the present market value of that class of securities as compared with other periods.

#### PRESENT MARKET VALUE HIGHER THAN IN 1929 BOOM

Comparison is first presented of the current price of public-utility bonds of the class held by life-insurance companies and savings banks with the prices prevailing at the height of the stock-market boom of 1929. This comparison shows that the average market price of such bonds is now approximately six points higher than in September 1929.

Out of 164 public-utility bonds listed as legal for investments of insurance companies and savings banks in the State of New York in 1929, quotations are available for both September 1929 and November 1934 for 121 issues. The average quotations for these 121 issues were:

September 1929:	
Bid.....	99.4
Asked.....	100.6
November 1934:	
Bid.....	106.0
Asked.....	106.7

Applying this average appreciation of 6.6 points in the actual bid price of a large list of representative bonds to the total public-utility bond holdings of the 51 standard life-insurance companies (\$1,658,209,000 in December 1933), we find that their market value is now \$109,441,000 higher than it would have been in September 1929, before the stock-market crash of that year.

#### OPERATING UTILITY BONDS NOW AT HIGHEST PRICE IN 15 YEARS

A longer range view of the market for electric utility bonds of the class held by insurance companies and savings banks is even more impressive. It shows that utility bonds of this class are today selling at the highest price they have realized in 15 years. The average appreciation of such bonds, for which records are available throughout the period, has been 32 points, or more than 40 percent.

Out of 161 public-utility bonds listed as legal for investments by insurance companies and savings banks in New York in 1934, there are 38 for which quotations are available back to 1920. These are issues of representative utility companies in every section of the country from Maine to California. The average bid and asked quotations of these 38 issues follow. All quotations are for the last week of November of each year.

## Public-utility bonds—Legal for insurance-company investment

Year	Bid	Asked
1920	76.6	80.1
1921	83.7	84.8
1922	92.6	93.6
1923	92.4	93.6
1924	96.6	97.4
1925	98.9	99.6
1926	100.8	101.4
1927	103.6	103.8
1928	102.7	103.3
1929	99.3	100.2
1930	103.7	104.2
1931	100.9	102.6
1932	103.1	103.8
1933	101.0	102.6
1934	108.9	109.7

These figures are graphically shown in the chart attached hereto (exhibit A). The detailed quotations appear in exhibit B.

The price trend for these 38 issues is fully confirmed by Moody's index for 10 public-utility bonds. This index shows a rise from a low of 76.38 in May 1920 to a high of 110.52 in December 1934.

## UTILITY BONDS OF METROPOLITAN LIFE VALUED ABOVE PAR

In view of the concern expressed a little more than a year ago by Frederick H. Ecker, president of the Metropolitan Life Insurance Co., in a letter to George B. Cortelyou, president of Consolidated Gas Co., of New York, published in the New York Times of December 7, 1933, regarding the future security of public-utility bonds held by insurance companies, examination has been made of the present and past market value of the electric utility bonds held by that company. This examination shows that the average market value of such bonds is now above par and that they have enjoyed a material appreciation as compared with their value in September 1929.

Of the 217 electric utility bonds held by the Metropolitan Life Insurance Co. (report of superintendent of insurance, State of New York, 1933) quotations for 155 issues are available for both September 1929 and November 1934. The average quotations for these 155 issues were:

September 1929:	
Bid	97.2
Asked	98.8
November 1934:	
Bid	100.8
Asked	101.5

## METROPOLITAN UTILITY HOLDINGS INCREASE \$40,000,000

Unfortunately there is not available an exact list of the Metropolitan's utility holdings on December 7, 1933, when Mr. Ecker wrote Mr. Cortelyou. It is reasonable to assume, however, that the list of utility bonds and preferred stocks was substantially as reported by the New York superintendent of insurance for the year 1933. Using this list, we find that during the past year the average bid price for the public-utility bonds of the Metropolitan has increased 13.9 points and for the preferred stock 7.9 points. This is equivalent to \$139 for each \$1,000 bond and \$7.90 for each share of preferred.

Applying these averages to the \$339,000,000 par value of American public-utility bonds and to the \$19,028,000 market value of utility preferred stocks held by the Metropolitan, it would appear that during the past year there has been an increase of more than \$40,000,000 in the market value of that company's utility holdings.

It is worthy of note also that this increase was not due to any unusual gain in any particular security or group of securities.

On the contrary, with the exception of one single issue maturing in 1935, every one of the 209 utility bonds for which comparable quotations are available increased in price during the past 12 months. Thirteen out of the 16 utility preferred stocks also showed a gain.

Within the last 6 months there have been several security issues by operating electric utilities on exceptionally favorable terms. The Edison Electric Illuminating Co. of Boston sold 2 issues of 3-percent 3-year notes totaling \$55,000,000. The Consolidated Gas, Electric Light & Power Co. of Baltimore made an \$18,000,000 issue of 3½-percent bonds, and the Consumers Power Co. an \$8,000,000 issue at 4 percent. The above interest rates indicate that investors retain complete confidence in the securities of conservatively capitalized operating companies.

## CONCLUSION

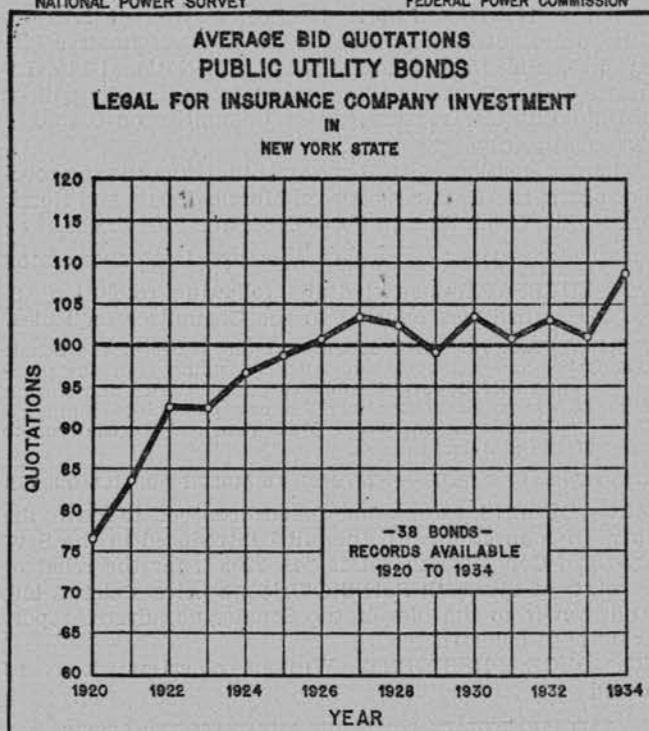
In view of the above facts, it is clear that holders of life-insurance policies and depositors in savings banks have no cause for concern regarding the security of that part of the assets of such institutions invested in electric utility bonds. Widows and orphans and other beneficiaries of estates likewise are secure; provided the executors and trustees of such estates have conformed to the legal requirements which most States have established for such fiduciary officers, and have invested the funds intrusted to their supervision in the securities of operating companies and not in stocks or debentures of holding companies or so-called "investment trusts." Respectfully submitted.

BASIL MANLY, Vice Chairman.

WASHINGTON, D. C., January 10, 1935.

NATIONAL POWER SURVEY

FEDERAL POWER COMMISSION



Public-utility bonds legal in 1934 for investment by savings banks in the State of New York—Bid and asked quotations last week in November each year

		1920		1921		1922		1923		1924		1925		1926		1927	
		Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked
Brooklyn Edison Co., general 5's A	1949	77½	77¾	90¾	91	95	95½	96½	97¼	100	100¼	102¼	102¾	104¼	104¾	105¼	105¾
Buffalo Gen'l Elec. Co.:																	
First 5's	1939	83	89	89	90	99	101	99¼	100	100½	101½	100¼	102	103	104	105	106
First and refunding 5's	1930	80	82	89	91	97	98	97	97¾	100½	101	100½	102	102	103½	105	106
Central Maine Power Co., first 5's	1939	80	85	89	95	96	96	96¼	98¼	99	99	101	101	102	104	105	105
Cleveland Elec. Illum. Co., first 5's	1939	82	84	92	93½	98	99	98½	99¼	100¼	101	101½	102	103¼	104	105	105
Connecticut Power Co., first and consolidated 5's	1963	75	80	82	84	93		95	97	103¼	104	103		103		104	
Consol. Gas Co. of Baltimore:																	
Consolidated first 5's	1939	86		91½		100	101	98	99	100		100¼	101¾	103		105¼	
General 4½'s	1954	73¼	75	81½	82½	87	88	88	89	92¼	93½	94½	95	98	98¾	100¼	
Consol. Gas & El. Lt. Co. of Baltimore, general 4½'s	1935	72¼	73	84½	84		91½	91		95¼	96	97½	98½	98	98¾	100½	
Consumers Power Co. (Michigan), first lien and refunding 5's	1936	82	83½	90¼	90½	95	95½	94¾	95¾	98¾	99½	100½	101	101½	102	104	104½
Dayton Lighting Co., first and refunding (now first) 5's	1937	79	83	85		94	96	94½	96½	97½	99	99½	101	101¼	102	100½	101½
Dayton Power & Light Co. first and refunding 5's	1941	75		78	80	91	93	92	93	97	98	99¾	100¾	101½	102¼	102½	103½
Edison El. Illum. Co. of Brooklyn, first consolidated 4's	1939	73	81½	81	81½	80½	89	89	89¾	90½	91	92¼		94½	95	97½	
Edison El. Illum. Co. of New York, first consolidated 5's	1993	85		91		101½		97¾	100	99¾		102½		106¾		112½	
Equitable G. & E. Co. of Utica, first 5's	1942	75	80			93		94		97	100	99	101	101	103	102	
Idaho Power Co., first 5's	1947	77	80	85		91	91	87½	88½	92½	93¼	96½		98	98¾	101½	101¾



Public-utility bonds legal in 1934 for investment by savings banks in the State of New York—Bid and asked quotations last week in November each year—Continued

		1920		1921		1922		1923		1924		1925		1926		1927	
		Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked
Kings County El. Lt. & Pr. Co.:																	
First 5's	1937	81½		89½	92½	97½		97½		100		102½	103	103		104½	
Purchase money 5's	1937	91	92½	104	104½	109½		110½	110½	115½	117	119½		122½	124	130½	
Los Angeles Gas & Elec. Corp., first and refunding 5's	1939		85	89½	91½		97	95½		98½	99	105½		101½	102	104	104½
Michigan Light Co., first and refunding 5's	1946	75	80	81	83	87	90	90	92	97½	98½	98½	99½	102	102½	104½	105½
Nassau & Suffolk Lighting Co., first 5's	1945	60	80	65	75	70		80	83	83	85	90	91	96½	97½	100½	101
New England Power Co., first 5's	1951		81½	87½		98	100	95½	96½	101½	102½	102½	104	102	103½	104½	105½
N. Y. Gas & El. Lt., Heat & Pr. Co.:																	
First 5's	1948	81	83	90½	91	98½	100	97½	97½	100½	101	103½	103½	105½	106	103½	
Purchase money 4's	1949	63	65½	75	75½	80½		82½	82½	85½	86	88½	89	91½	92	96½	96½
North Hudson Lt. Heat & Pr. Co., first 5's	1938	80		76		90		90		96		99		101		98	
Philadelphia Elec. Co.:																	
First 4's	1966	67	70	70		80	83	80	82	83		85	86	88	88½	93½	94½
First 5's	1966	84	84½	90½	91	99½	99½	97½	98	101	101½	102½	103	104	104½	107½	108
Potomac Electric Power Co., consolidated 5's	1938	82½	93	88½		95½	97	97½	98½	99	99½	100	100½	101	103	103½	
San Diego Consol. G. & E. Co., first 5's	1939	80	85	88		93	95½	92	95		99½	100	101	101	102½	103½	104½
Southern Calif. Edison Co., general 5's	1939	80	83	90½	91½	97	98½	96½	97½	100	102	99	100	101	102½	103½	104½
Syracuse Lighting Co., first 5's	1951		80	77		91	94	92	93	98½	99½	99½	101½	102½		106½	
Twin State Gas & Elec. Co., first and refunding 5's	1953	55	60					78	80	84½	86	92½	93½	99½	100½	102½	103
United Elec. Co. of N. J., first 4's	1949	63	68	68½	70	81	83	81½	82½	85	86	87½	88½	87½	88½	91½	
Utica Gas & Elec. Co., refunding and extension 5's	1957	73	80	85		90½	91½	91½	92	97½	97½	100½		102	102½	106½	
West Penn. Power Co., first 5's A	1946	76	78	86	90	92½	92½	90½	91	96	96½	99½	99½	100	101	103½	103½
Wheeling Elec. Co., first 5's	1941	70	80	63		90	91½	91	94	95½	97	97½	99	99½	100½	100	
Wisconsin Gas & Elec. Co., first 5's	1952	72	77	75		90	93	91	93	97	97½	99	100	100	101½	103	
York Haven Water & Power Co., first 5's	1951	76		75		90	93	87	91	97	98	98	100	100	100½	102½	102½
Average		76.6	80.1	83.7	84.8	92.6	93.6	92.4	93.6	96.6	97.4	98.9	99.6	100.8	101.4	103.6	103.8

		1928		1929		1930		1931		1932		1933		1934	
		Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked
Brooklyn Edison Co. general 5's A	1949	104½	105	103½	103½	105½	106	104½	104½	105½	106½	104½	105	109½	109½
Buffalo Gen'l Elec. Co.:															
First 5's	1939	103½		100	101½	103½	104½	101½		105	105½	103	104	109½	112
First and refunding 5's	1939	103½		100	101	103	104	101½		104½	105	102	103½	109½	111
Central Maine Power Co., first 5's	1939	102½	103½	99½	101	102	103½	99	101	102	103½	100	102	105	106
Cleveland Elec. Illum. Co., first 5's	1939	102½	104	100½	101½	103½	104½	102	104	105	106	103½		107½	
Connecticut Power Co., first and consolidated 5's	1963	105½		103		105		103		106		107	109	110½	112½
Consol. Gas Co. of Baltimore:															
Consolidated first 5's	1939	102	103½	100		102½		101½		107½	110	103½	105	109½	110½
General 4½'s	1954	99½	99½	97	97½	101		101½		102	103	100½	102	112	114
Consol. Gas & El. Lt. Co. of Baltimore, general 4½'s	1935	99	100	98	99		101½		100	101½	103½	101½	102	100½	101½
Consumers Power Co. (Michigan), first lien and refunding 5's	1936	101		99½	100	102½	103½	101	103	104½	104½	100½	101½	103½	104
Dayton Lighting Co., first and refunding (now first) 5's	1937	100½		97	100	100		100½		103		100½		106	
Dayton Power & Light Co., first and refunding 5's	1941	101	102½	98	99	101		101	103	103½	104	100	101	106	107
Edison El. Illum. Co. of Brooklyn, first consolidated 4's	1939	96½	96½	94½	95½	97	98½	96	97½	101½	102	99½	100½	107	107½
Edison El. Illum. Co. of New York, first consolidated 5's	1995	110½	113½	108		115½	116½	105	114½	112½	115	107½	120	124½	
Equitable G. & E. Co. of Utica, first 5's	1942	103				102		101	103	101½		99		110½	111
Idaho Power Co., first 5's	1947	100	101	98½		102½	103½	97	98½	99½		88		104½	104½
Kings County El. Lt. & Pr. Co.:															
First 5's	1937	103½	104	100½		103		102½	103	104½		104		108½	
Purchase money 5's	1937	130	133	124	125	133	136½	123½	140	129½	131½	120½	130	142½	149½
Los Angeles Gas & Elec. Corp., first and refunding 5's	1939	102½		99		102		100½	102	103½	104	101		107½	
Michigan Light Co., first and refunding 5's	1946	102½	104	99	101	103½		99		104		103	105	108	
Nassau & Suffolk Lighting Co., first 5's	1945	99½	101	89½	91	100½	101		99½	96	98	97	100	100	102
New England Power Co., first 5's	1951		104	101		104½		101	104	100½	100½	99	101	108	109
N. Y. Gas & El. Lt., Heat & Pr. Co.:															
First 5's	1948	107½	108½	104½	105	107½	108½	105½	106½	108½	109	105½	106½	116½	116½
Purchase money 4's	1949	94½	95½	92½	93½	96½	97	93½	95½	99½	100	98	99	107½	108
North Hudson Lt., Heat & Pr. Co., first 5's	1938	100		98		101		100		98		100		105	
Philadelphia Elec. Co.:															
First 4's	1966	95	96	88½	89½	95½		93	95	95		98		104	105½
First 5's	1966	105½	106	102	102½	108½	108½	104½	105½	107	107½	107	108	113½	113½
Potomac Electric Power Co., consolidated 5's	1936	101½		99	101	102½	103½	101		104½	105½	102		105½	
San Diego Consol. G. & E. Co., first 5's	1939	102½	103½	98½		102½		100		103		100½	102½	105½	107
Southern Calif. Edison Co., general 5's	1939	101½	102½	100	100½	103	104			105½	106½	101½	103	107	108
Syracuse Lighting Co., first 5's	1951	106½		103	103½	107½		102½	106½	106		107	109	112	
Twin State Gas & Elec. Co., first and refunding 5's	1953	99½	101	92	95	102½	104½	99	100	88		87	90	102	104½
United Elec. Co. of N. J., first 4's	1949	92½	94	88	90	97		91		97	100	96		107½	108
Utica Gas & Elec. Co., refunding and extension 5's	1957	106½	107½	102½		108½	109½		103	103½		101½		115½	
West Penn. Power Co., first 5's A	1946	103½	104	101	101½	104	105	102	103	105		102½	103½	106½	110
Wheeling Elec. Co., first 5's	1941	100½	101½	95	98	100½	101½		100	98	100	100½		106½	107½
Wisconsin Gas & Elec. Co., first 5's	1952	102		99	101	103	104	100½	101½	99½	101	90	95	105½	106½
York Haven Water & Power Co., first 5's	1951	104		100		104½		99½	103½	97½		99	101	104½	106
Average		102.7	103.3	99.2	100.2	103.7	104.2	100.9	102.6	103.1	103.8	101.0	102.6	108.9	109.7

## THE CALENDAR

The VICE PRESIDENT. The calendar is in order under rule VIII. The first order of business will be stated.

The first order of business on the calendar was the bill (S. 396) to amend section 1180 of the Code of Laws for the District of Columbia with respect to usury.

Mr. BULKLEY. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

## ADDITIONAL ASSISTANT CLERKS TO SENATORS

The Senate proceeded to consider the resolution (S. Res. 39) submitted by Mr. BYRNES on the 10th instant, which had been reported back favorably from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment to strike out:

That whenever during the remainder of the present session of Congress a Senator shall file with the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate a statement showing the necessity for an additional clerical assistant to enable him to discharge the duties of his office, such—

And to insert in lieu thereof "that each", so as to read:

That each Senator may appoint one assistant clerk, to be paid from the contingent fund of the Senate at \$1,500 per annum until the end of the present session of Congress.

The amendment was agreed to.

The resolution as amended was agreed to.

The VICE PRESIDENT. That completes the calendar.

## FIFTEENTH ANNIVERSARY OF EIGHTEENTH AMENDMENT

Mr. SHEPPARD. Mr. President, today marks the fifteenth anniversary of the eighteenth amendment. Thirteen months have passed since its repeal.

Within that time the evils of liquor and the liquor traffic have multiplied so rapidly as to call for the immediate return of national constitutional prohibition.

For instance, there are already more places where legalized liquor is sold in the United States today, only 13 months after repeal, than there were in the entire country at the time of the adoption of the eighteenth amendment.

The wets joined with us in denouncing the saloon. They said that it would not be permitted to return. They said they could not tolerate the idea of going back to the barroom of the days before prohibition. In fact, so general and so pronounced was this sentiment among the wets that it may be questioned whether a majority of them would have supported repeal if they had known it would result in the return of the saloon on a bigger and more devastating scale than ever. Where are those wet voices now? Where are those propagandists who mingled expressions of horror against the saloon with denunciations of prohibition?

In 1915, one of the last unrestricted wet years before prohibition, persons paying the Federal tax as retail dealers in distilled spirits for beverage purposes numbered 190,469, including keepers of saloons, drug stores, and other places licensed to sell distilled spirits at retail, and the number of retail dealers in fermented liquors was 13,740. In 1919, on the eve of national constitutional prohibition, war-time repression and other restrictions had reduced the number of retail dealers in distilled spirits to 107,851 and the number of retail dealers in fermented liquors to 4,628. During the national prohibition period retail liquor licenses to drug stores for medicinal purposes ranged in round numbers from 11,000 in the first year to 20,000 in the last year of that epoch. At the close of the fiscal year ending June 30, 1934, 7 months after repeal, the Federal Government had issued 207,382 licenses for beverage purposes to retail dealers in distilled spirits and 230,322 licenses for such purposes to retail dealers in fermented liquors. These numbers include licenses to saloons, State stores, drug stores, hotels, restaurants, and other places licensed to sell distilled spirits or fermented liquors at retail.

From widely distributed areas come reports of saloons, taverns, cocktail rooms, tap rooms, and other new-fashioned drinking and liquor selling places in operation, running at all hours, resuming old alliances with gambling, gangsterism, prostitution, political corruption, crime in general, with girls as young as 16 for barmaids, with women frequently con-

spicuous among the patrons. The Newark Evening News recently said that it was disappointing that the legalized sale of liquor in numerous States, including its own, had brought back the old saloon, call it by any name we please; that it was even probable that those who promised the elimination of the saloon did so with their tongues in their cheeks.

The New York Herald Tribune has within the last 2 months quoted an official of a great hotel in the city of New York as saying that prior to prohibition on rare occasions only did one see unescorted women imbibing cocktails in the afternoon, but that since repeal at least 50 percent of the patrons had been women.

The Chicago Daily News said in October last that the tavern, under the new Illinois liquor law, retained all the evils of the old saloon and added new evils of its own; that the old alliance between the saloon and politics had been resumed; that every promise that after the restoration of the liquor traffic to legality the business would be made and would be kept respectable and law-abiding had been violated. That same publication also said a short time before that politicians faithless to the solemn pledges of both Democratic and Republican Parties had thrown open the door of the saloon in its State; that Chicago had been flooded with evil concoctions called whisky, that bawdiness and murder had followed; that the saloon was breaking the law and provoking lawbreaking; that it was promoting social insecurity and menacing the home; that police regulation had become a farce; that the saloon was the ugly progeny of liquor traffic greed and political bad faith.

The Albuquerque Journal said last month that when the sale of intoxicating liquor was legalized in New Mexico in 1933 the people were assured by the wording of the law itself that the open saloon, outlawed since 1918, would not return, that the plain intent of the legislature, shown in the wording of the act, was to permit the serving of liquor by hotels, restaurants, and cafes to its patrons with meals only, that the effect had been just the opposite; that bar-rooms, cabarets, and roadhouses had sprung up and were in blatant, brazen operation openly specializing in hard liquor, wine, and beer, jazz dancing, raucous orchestras, that drinking was permitted in dance halls, which the legislature plainly attempted to prohibit, minors finding it easy to buy drinks and consume them on the premises until they reached such a state of intoxication that they could not reach their cars at closing time without assistance.

With the repeal of the eighteenth amendment has come not only the open saloon, but an increase in the use of intoxicants, in the number of automobile accidents—fatal and otherwise—and in the number of drinking and drunken drivers.

The New York Times in a recent editorial points to what it terms an alarming increase in deaths resulting from motor accidents. It cites the latest report of the National Safety Council to the effect that in 1934 they reached a total of 36,000—an increase of 16 percent in a single year—showing that all the gain since 1931 had been wiped out. It adds that there is no indication of any halt in what it calls the "fresh upward curve." It states, further, that increased use of automobiles accounts for only a part of the growth in fatalities, that the number of motor vehicles registered in 1934 was practically the same as in 1933, gasoline consumption rising only 5 or 6 percent; that there has been a decided increase in the entry, "Driving while drunk", on the police blotters in many States in recent months, and refers to a report from the Travelers Insurance Co. of Hartford to the effect that there has been an increase in 1934 over 1933 of 42 percent in the number of intoxicated drivers involved in automobile accidents and of 60 percent in the number of intoxicated pedestrians so involved. It is but fair to say that the editorial asserts that increased speed must also bear a large share of the responsibility for these fatalities. It should be added here that the report of the Travelers Insurance Co. referred to by this publication shows that a person was killed every 15 minutes and some injured every 31 seconds, on the average, in automobile accidents in 1934, making a total of at least 36,000 deaths and 900,000 injured during the first



year of repeal—an increase of 16 percent over the number of deaths in 1933.

This means that deaths on the highways in time of peace and in the first liquor year since repeal, namely, 36,000, amounted to 72 percent of all American battle deaths in the World War during American participation—such deaths numbering 50,280. This means that injuries on the highways in the same period not resulting in death, namely, 900,000, were more than four times as many as battle injuries of non-fatal character to American soldiers in the World War during the time America took part—such injuries numbering 205,600.

Let us examine specific returns from various sections of the country. Manchester, the largest city of New Hampshire, reports 1,486 arrests for drunkenness during the last 12 months before repeal, and 1,953 arrests during the first 12 months of repeal, an increase of 31.4 percent. For the same periods before and since repeal arrests for driving while drunk in this city increased from 35 to 73, or 108.5 percent. On December 5, 1934, the commissioner of public vehicles reported that the permits of 744 operators had been canceled in New Hampshire during the first year of repeal, compared with 413 cancellations during the year before repeal, an increase of 80 percent.

The Boston Transcript in a recent issue quotes Chairman William P. Hayes, of the Massachusetts State Alcoholic Beverage Control Commission, as saying that this body is considering the withdrawal of liquor permits from all restaurants except the largest ones because drinking among young women has increased enormously—outrageously. He is also quoted by this paper as saying that the commission is considering an increase in the number of licensed liquor taverns from which women are barred by law.

Police figures for Boston for the year ending November 30, 1934, show 43,825 arrests for drunkenness, compared with 36,941 for the year ending November 30, 1933, an increase of 6,884, or 18.5 percent. They also show that the number of men arrested for drunkenness increased from 35,401 during the former period to 41,609 during the latter, or 17.5 percent, while the number of women so arrested grew from 1,540 to 2,216, an increase of 43.8 percent; that 114.3 percent more women and 17.7 percent more men were arrested for driving while under the influence of liquor during the latter than in the former period. Morgan T. Ryan, registrar of motor vehicles for Massachusetts, stated in September 1934, when automobile deaths in that State reached a total of 37 in 1 week, that this gruesome, cadaverous record was the worst story of auto tragedies ever known in Massachusetts; that it meant not only an average of more than 5 killings every day of the week but was 21 deaths more than those of the corresponding week a year before; that the total for the State fiscal year had risen to 633, a 13-percent rise over the preceding year; that no less than 32 different cities and towns had suffered the loss of inhabitants, old and young, with double deaths in 5 localities; that the two main factors in these accidents were speed and liquor.

Official figures from 13 cities in Virginia, which has the so-called "State authority plan", show an increase in arrests for public intoxication for the 4 months from June 1 to October 1, 1934, after the State stores began, as compared with the same period of 1933 under prohibition of 53.5 percent for Bristol, 46.4 percent for Charlottesville, 70.6 percent for Clifton Forge, 139.7 percent for Danville, 330.2 percent for Harrisonburg, 99 percent for Lynchburg, 151.2 percent for Newport News, 66.6 percent for Norfolk, 46.7 percent for Petersburg, 39 percent for Portsmouth, 59.3 percent for Richmond, 126.2 percent for Staunton. Hopewell reported a decrease of 40.7 percent. The average percentage of increase in arrests for intoxication in these 13 cities was 71.1 percent; for driving while drunk, 53.3 percent. In 11 of these cities from which reports were received the number of permits revoked for driving while drunk increased 47.7 percent.

Reports from police officials in seven cities of Pennsylvania, which also has the State authority plan, indicate the same trend toward an increase in intoxication and in driv-

ing while drunk. For the first 9 months of 1934, as compared with the same period of 1933, Allentown reports an increase of 26 percent in arrests for intoxication and of 30.7 percent in arrests for driving while drunk, Butler an increase of 62.5 percent in arrests for intoxication and no increase in arrests for driving while drunk, Chester an increase of 14 percent in arrests for intoxication and of 300 percent in arrests for driving while drunk, Harrisburg an increase of 8.8 percent in arrests for intoxication and of 25.8 percent in arrests for driving while drunk, Philadelphia an increase of 21.8 percent in arrests for intoxication and of 51.2 percent in arrests for driving while drunk, Reading an increase of 5.7 percent in arrests for intoxication and of 71.4 percent in arrests for driving while drunk, Wilkesburg an increase of 12.3 percent in arrests for intoxication and of 200 percent in arrests for driving while drunk. Wilkesburg also reported an increase of 40.5 percent in arrests for being drunk and disorderly for the same period in addition to the plain drunks.

Minneapolis reports 8,603 arrests for drunkenness in 1934, as compared with 7,678 in 1933, and 442 arrests for driving while intoxicated in 1934, as compared with 278 in 1933, an increase of 59 percent.

According to figures from the Washington, D. C., police department, the all-time record in automobile fatalities and injuries for this city was made under repeal in 1934, during which 135 persons were killed and 3,973 injured. During the previous year, 1933, the number killed in automobile accidents was 80. The first year of repeal showed an increase, therefore, of 68.75 percent in these tragic deaths.

Jail records for the District of Columbia show that in 1932 there were 8,430 commitments for intoxication, that in 1933 with beer legalized after April 7 these commitments rose to 11,618, that in 1934 under repeal they reached a total of 13,462.

In response to requests for information on the drunken driving situation from all over the State, E. Raymond Cato, chief, California Highway Patrol, compiled data based upon abstracts received from courts hearing cases on violations of the vehicle act, showing that in the first 9 months of 1934, 2,759 intoxicated drivers and 474 intoxicated pedestrians were involved in motor-vehicle accidents, as compared with 2,341 intoxicated drivers and 294 intoxicated pedestrians involved in such accidents during the same period in 1933. In actual practice, a number of cases in which liquor was involved would not appear in these figures. Very often traffic officers prefer a charge of reckless driving, noting usually, but not always, that the violator had been drinking.

The United States Bureau of the Census reports that the annual death rate for 86 cities of this country with a population of 37,000,000 was 11.3 percent per thousand of said population for the first 46 weeks of 1934, as against a rate of 10.8 for the same period of the previous year. The death rate from automobile accidents in these cities for the first 46 weeks of 1934 was 23 percent per 100,000 of the population as compared with 21.2 percent for the same period of 1933.

A recent report of an investigating committee of the Texas State Senate reveals liquor conditions in that State of most revolting character, a situation I predicted in my Texas campaign for the eighteenth amendment would follow repeal not only in Texas but throughout the Nation.

We were told that repeal would eliminate the bootlegger. The Director of the Federal Alcohol Administration has told us since repeal that so far as the liquor traffic is concerned the United States is living in a fool's paradise and that the bootleg trade is still with us. And yet we were told that prohibition was the cause of bootlegging and thus became a breeder of all crime, that the effort to prohibit made people want to drink, to violate the law, and that thus a spirit of lawlessness was let loose, expressing itself in crimes of many kinds. It was the favorite claim of the patron of the bootlegger in prohibition times that prohibition was making him a criminal. And yet, more than a year after repeal, the bootlegger and his clients are still functioning. The buyer from the bootlegger who charged that prohibition made him drink must now find some other excuse for his disregard of law and continued support of an outlaw trade. And those



who denounced prohibition as one of the principal sources of crime must find some other explanation for the contempt of law and its increasing violation which surround us today on every side 13 months after repeal.

At this point note the reasons which the recent Budget message gives to Congress for the request for additional appropriations for law enforcement and crime repression during the next fiscal year, the year beginning June 30, 1935. On page 426 of this message it is stated that on account of the anticipation that there would be a considerable decrease in prison population following the repeal of the eighteenth amendment and the expiration of the sentences of prohibition law offenders material reductions were made in appropriations for penal and correctional institutions for the fiscal year ending June 30, 1935. And then the message says that present indications are, however, that there will be no decrease in the number of prisoners, and that not only will the reductions in appropriations have to be restored but that further funds will be required because of the advance in commodity prices. A request is then made for an increase of \$2,789,445 in the appropriation for the Department of Justice, \$1,646,872 of which is for penal and correctional institutions. The message also requests an increase of \$3,678,738 for the Coast Guard in the Treasury Department, stating that the appropriation for this service for the present fiscal year, the year ending June 30, 1935, was considerably reduced on the assumption that smuggling would diminish to a large extent. The message then adds that this situation has failed to materialize, and that it will be necessary to provide a deficiency appropriation for this service. This means, of course, that the rum-runner is again infesting our waters more than a year after repeal. Before May of last year the Coast Guard was allotted funds from the Public Works Administration to purchase 27 new seaplanes and amphibians, and it was anticipated that it would take over 14 land planes from the Customs Bureau and 6 Navy planes. This would make a total force of 61 planes as against 14 theretofore.

In the light of facts now developing, how rapidly are the old arguments against prohibition losing force? Take the cost of prohibition, against which the wets so bitterly complained, and compare the cost of protecting the legal liquor seller against his illicit competitor in what is only the beginning of repeal. The appropriations for the Government unit specifically charged with the enforcement of prohibition amounted to less than ten millions a year to and including 1926. In fact, the largest sum ever provided for the Bureau of Prohibition and the Bureau of Industrial Alcohol was appropriated in 1932, when they together expended \$15,547,444.66. And yet the present Alcohol Tax Unit, charged with administering the Federal Liquor Tax Act of 1934, received an appropriation of \$14,311,974 for its first year.

Take the question of revenue. How woefully the American people were misled! Mr. Jouett Shouse, president of the Association Against the Prohibition Amendment, was reported in the Evening Star, Washington, D. C., of September 14, 1933, as estimating that the total Federal revenue from the sale of beer, wine, and spirits in the 17 States that were wet and which contain 48 percent of our population would reach \$1,236,547,690, while others later made predictions of \$700,000,000 and \$800,000,000. Professor Seligman's estimate, if I remember correctly, went as high as \$1,500,000,000. The Bureau of Internal Revenue has recently issued a statement showing that the total internal-revenue receipts from liquor taxes during the calendar year 1934 amounted to \$374,506,232.50. But whether the amount is three hundred and seventy-four millions or Mr. Shouse's billion two hundred million or Professor Seligman's billion and a half, or whether it runs into infinity, it would never compensate for the wrecked manhood, the debauched womanhood, the ruined souls the mills of the liquor gods grind out so mercilessly through the years.

Take the experience of the State of Pennsylvania. When its State liquor monopoly went into effect on November 29,

1933, the legislature was so enthusiastic over expected liquor revenues from the State stores that it appropriated \$20,250,000 for unemployment relief, \$4,000,000 for old-age assistance, and \$1,310,000 for pensions for the blind, a total of \$25,560,000, all to be paid from the profits anticipated from the State-operated liquor business. The financial statement issued by the State liquor control board as of September 29, 1934, showed a net profit to that date of \$3,245,197.59, of which the Governor allocated \$1,500,000 for unemployment relief and \$598,000 for pensions for the blind. I assume he included some of the wet estimators among the blind.

In the campaign for repeal much emphasis was laid upon the argument that Congress would enact and maintain legislation to protect dry States and localities from importation in violation of local law. This promise was written directly into the twenty-first amendment, which was ratified by the people and is now a part of the Constitution. The second section of that amendment provides that the transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

This section imposes a constitutional obligation on Congress to protect States and localities desiring to prohibit the liquor traffic. Although Congress took immediate steps to provide for the collection of excise taxes on intoxicating liquors, it has done nothing to meet, and has ignored for 13 months, the obligation imposed upon it by the ratification of the twenty-first amendment, and this despite the most solemn promise given when repeal was under consideration that the dry States would be protected. The only action taken by Congress in reference to liquor matters in dry States was the repeal by the Liquor Tax Act of 1934 of section 5 of the act of March 3, 1917, enacted before national prohibition, which prohibited the use of the United States mails for the circulation of newspapers containing liquor advertising in dry States. The result is that today newspapers containing liquor advertising and radio programs financed by liquor interests praising the merits of various types of alcoholic beverages are being sent directly into the homes of citizens in dry States, despite State policy evidenced by State constitution and laws.

Such is a partial outline of the record of the liquor traffic for practically the first year of its restoration. Brief as this outline necessarily has been, it is sufficient to give some idea of what that restoration means for our country. It means that integrity in government, soundness in morals and in health, safety of life, respect for law, internal peace and order, and allegiance to the nobler principles of human conduct will be imperiled to an ominous degree unless our weapons are resharpened and reemployed for the destruction of that traffic.

Most effective among those weapons are example, law, and education. The immediate development of conditions far worse than those obtaining under the eighteenth amendment is the answer to the propaganda which undermined it. Experience has demonstrated that education and example are helpless against an organized and powerful evil such as the liquor traffic without the penalties and decrees of law. This fact is now being impressed with new emphasis on the American people as they see fatalities due to speed and liquor multiplying on the highways in time of peace at a rate approaching that of war—as they see injuries short of death exceeding those of combat; as they see crime striking at the foundations of society to an extent never before approximated; as they see drinking places in numbers greater than in any period of the past crowded with both sexes and with young and old challenging all that is decent in America; as they see bootleggers, rum runners, gamblers, gangsters, and corrupt officials now racing back in greater force than has ever yet been known, to plague and curse mankind once more.

#### LET'S STOP THE WAR MAKERS—ARTICLE BY SENATOR BONE

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the McFadden Weekly of October 27, 1934, entitled "Let's Stop the War Makers", by the senior Senator from Washington [Mr. BONE].



There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From MacFadden Weekly, Oct. 27, 1934]

**LET'S STOP THE WAR MAKERS—GOVERNMENT OWNERSHIP OF MUNITIONS PLANTS WOULD PUT AN END TO INCENTIVE NOW CAUSING HIGH-PRESSURE METHODS OF SELLING ARMS, SAYS SENATOR BONE, OF WASHINGTON**

(By U. S. Senator HOMER T. BONE, Member of the Senate Munitions Committee)

How can the private munitions business be controlled? Manifestly some method must now be devised to meet a condition which most thoughtful citizens consider the outstanding menace to world peace. If the ominous signs all about us are a true index of world trends, then we are rapidly heading toward another frightful explosion. If the frank statements of many witnesses who have so far appeared before the Senate Munitions Committee in Washington are to be believed, the next war will involve civilian populations in a mass slaughter that will demoralize them and hopelessly involve all our social institutions.

The covenant of the League of Nations recognized the great dangers inherent in private control over what seems clearly to be a purely governmental function—preparation for war. When the League was formed its charter contained the assent of signatories to the proposal that "manufacture by private enterprise of munitions and implements of war is open to grave objections."

Later, and in 1921, a subcommittee of the League considered the matter of private manufacture of munitions of war and reported that armament firms had been active in fomenting war scares and persuading governments to adopt warlike policies and increase armaments; that these firms had attempted to bribe Government officials, had disseminated false reports concerning the military and naval programs of various countries in order to stimulate armament expenditures, and had organized international armament trusts through agreement among themselves in order to increase the price of munitions.

The present Senate inquiry is proving these 1921 charges with a vengeance.

We are faced with the necessity of finding a practical answer to this bold challenge to our civilization. Manifestly moral suasion will not work. When men are made into multimillionaires in a few months in this sordid racket, mere argument about the unhappy nature of their business will not curb their activities. Ethical considerations find a resting place in the wastebasket. Witnesses before the Munitions Committee were very candid and told the committee that "so long as a chance to make money is in this game we are going to take advantage of the opportunity."

The private-profit motive is overwhelming and seems to have submerged practically all other considerations. To be sure, a few of the witnesses indulged in generalities about "patriotism" and made references to "national defense." In my judgment, enough evidence has already been produced to convince the American people beyond any reasonable doubt that the dominating and outstanding reason for the existence of a private munitions business lies in the enormous profits flowing to men who sell the instrumentalities of death.

In dozens of laboratories in this country, of whose existence American people are in entire ignorance, men work day after day with retort and test tube in a never-ending effort to improve the technique of mass murder. From these laboratories come death-dealing instrumentalities, which will make the next war more horrible. And from the activities of these men will flow great fortunes for a few—a new crop of multimillionaires whose fortunes will find root in blood and tears of the whole Nation.

In groping about for an answer to this grievous problem many of the major groups of this country have almost instinctively hit on the only practical answer. The most effective way to get at this problem in an intelligent way is to take the profit out of war and the preparation for war. Increasing millions of American citizens are beginning to realize the truth of this stubborn fact. There is only one way to take the profits out of this business. That is for the Government to exclusively manufacture all of its own munitions and instruments of war. In no other way will it be possible to curb the greed of men whose activities now threaten the peace of the world. It is the only answer to this ominous threat against national stability and social safety, and I believe that the American people will agree with me that these must be preserved at any cost.

#### TAKING PROFIT OUT OF WAR

This proposal does not carry with it the necessity of Government ownership of the sources of raw materials such as iron mines, steel plants, and the like. It simply means the exclusive manufacture by this Government of the recognized instrumentalities of actual military and naval combats. It implies only the manufacture of the actual war instrumentalities from raw materials purchased by the Government in the open market from those sources of supply best able to provide these raw materials.

It is only in the last stage—that is, the actual putting together of the materials in final form for actual combat—that the Government need establish a complete monopoly. This form of monopoly is, in my judgment, absolutely essential if we are to escape the payment of a frightful penalty in the years that lie ahead.

Quite naturally those who have a big stake in the large profits in this queer business are greatly concerned over such proposals. Some of them find a refuge in flowery utterances about patriotism and denounce the proposal as "an assault on our form of govern-

ment" and one calculated to interfere with a proper preparedness program. The people of America are going to hear a lot of this sort of argument from now on and it will come from men who have so far enriched themselves out of this sordid business that they are numbered among the wealthiest citizens of the world.

How can such a proposal interfere with preparedness?

Certainly the Government can make all the munitions it needs in its own plants and arsenals. Under the lash of questions, private munitions manufacturers who appeared before the Senate Munitions Committee were compelled to admit that this was a vague and untenable argument since it was obvious to everyone that all the Government need do to manufacture the requisite amount of munitions was to expand its present facilities. No one was bold enough to deny that this could be done.

Such discussion as took place between committee members and witnesses concerning this matter finally developed the other argument which is so frequently heard to the effect that the Government will not be as efficient as the private manufacturers. While the whole proposal practically simmers down to a question of the relative efficiency of the public and private plants, one of the largest manufacturers of munitions for war broadly intimated that it might be immoral and unpatriotic for the Government to manufacture its own war munitions. He frankly stated that it would require some time for him to determine whether or not public building would be unpatriotic or socially immoral.

#### MENACE TO WORLD PEACE

If the munitions inquiry has developed any one fact it is that the private munitions maker is determined that the Government shall keep out of this highly profitable field and permit exclusive private exploitation. They do not want private profits disturbed. This argument is so untenable and so antisocial that society must of necessity reject it as utterly unsound and a menace to world peace.

The argument that exclusive Government manufacture of war munitions is an attack on preparedness is so stupid that it falls of its own weight. It is as ridiculous as the assertion that the people of a city are against electricity because they prefer a municipal power plant to an Insull power plant.

A city can manufacture electricity quite as well as Sam Insull. It is not necessary for a city to own manufacturing plants where wire, generators, water wheels, and steam equipment are made in order to go into the power business. It simply buys these items from houses that make them.

The important aspect of this comparison between the power business and the munitions business lies in the fact that when a city has purchased these materials and builds its own power plants and distribution system it thereafter controls the last and most vital process in the whole electric field—the production and distribution of electric energy. And in that form of control lies the very heart and soul of the whole power problem of this country.

It is this principle that I hope will be applied to the production of war munitions. It effectively answers the argument of munitions makers and other allies that the Government must go into all sorts of business in order to control its munitions business. The Government can control the last and final stage, which is the manufacture of actual munitions in finished form by doing this last and essential and controlling work in its own plants. And in so doing, it controls the very heart and soul of the munitions business.

#### ARMS SHIPMENTS DISGUISED

There will remain the further problem of social control over munitions manufactured in this country for export. The foregoing observations apply to war materials for use by this Government. It has been suggested, and I think wisely, that private manufacture of all kinds of war munitions for export can be effectively controlled by a system of licenses granted by the Government under conditions which require the most complete publicity for all such activities.

At the present time war munitions are shipped out of this country without check or hindrance, and these shipments are frequently disguised as to their character. Munitions makers of this country all profess to be very anxious to work in complete harmony with our War and Navy Departments, and some have even suggested that they have submitted their foreign orders to these Departments for security, if not tacit approval.

One huge concern proudly boasts that it maintains close and friendly relations with our Government, that it has become almost a semiofficial arm of the Government. It has been suggested that this relationship is founded in a desire of the owners to do a patriotic service for the Government by keeping the Government in close contact with all extraterritorial activities of this private company.

Manifestly, any form of regulation or control over the private manufacture of war munitions for export should be so rigid and inflexible in character as to require a form of publicity which goes far beyond that exercised over other forms of private business. As a very minimum of requirement, such companies, if permitted to manufacture for export, should be required to advise certain designated agencies of the Government of the exact nature of such shipments, with the names of the consignees, and these reports should be available at all times and at very frequent intervals to the Congress of the United States.

In other words, if that form of business is to be permitted, it should exist only in the white light of complete publicity. I am fully aware that millions of patriotic Americans believe that the



entire munitions business should be completely nationalized and private manufacture of war munitions absolutely forbidden. In the interest of social safety it may be necessary that this be done.

#### THE HERITAGE OF WAR

The people of this Nation have a right to know all of the facts about the munitions business. It directly affects them in their business and their property. The battle to take the profits out of war and of preparation for war should receive the enthusiastic cooperation of every father and mother in this Republic. The suggestion I have made would do away with the necessity of trying to capture the shocking and outrageous profits such as were made by war profiteers in the last war. The staggering burden of debt which now hangs over us is the heritage of that war. It is a grim reminder of what will happen to us in another war. That debt now constitutes an almost insurmountable obstacle to national recovery. About 75 percent of our normal Government income is devoted to paying off the cost of past and prospective wars.

That dismal fact should make us doubly anxious to suppress the inciters to more wars. I fully share the fears of one of the outstanding defenders of private profits in war materials who recently bluntly told the Munitions Committee that if we have another great international conflict our civilization as it now exists will perish.

Certainly when our Western civilization is at stake we cannot afford to longer trifle with a business whose subterranean activities have brought down upon it the just condemnation of thoughtful and patriotic citizens. It is my solemn judgment that if we take the profit out of war and preparation for war we shall have taken the first great step toward a lasting international peace, and we will have done all that can be done in that direction to preserve the coming generation from the horrors of another great conflict.

#### CONTROL OF LIBERTY LEAGUE—ARTICLE FROM NEW YORK WORLD-TELEGRAM

Mr. NYE. Mr. President, I ask unanimous consent to have incorporated in the RECORD an article appearing in the New York World-Telegram under date of January 9, under the heading "Liberty League Controlled by Owners of \$37,000,000,000."

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the New York World-Telegram, Jan. 9, 1935]

**LIBERTY LEAGUE CONTROLLED BY OWNERS OF \$37,000,000,000—GIANT CORPORATIONS REVEALED AS PUSHING FIGHT UPON RADICALS—UNITED STATES STEEL, GENERAL MOTORS, STANDARD OIL, CHASE BANK, GOODYEAR TIRE, ETC., ALL HAVE MEN ON COUNCIL CRUSADING FOR LIBERTY**

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WASHINGTON, January 9.—The American Liberty League, a non-partisan society created to oppose radical movements in the National Government, was shown today to be under control of a group representing industrial and financial organizations possessing assets of more than \$37,000,000,000.

A United Press survey of the league's new executive committee and advisory council disclosed a close connection between members and some of the Nation's greatest business enterprises.

League directors were shown to have affiliations with such organizations as the United States Steel Corporation, General Motors, Standard Oil Co., Chase National Bank, Goodyear Tire & Rubber Co., Westinghouse Electric & Manufacturing Co., Baltimore & Ohio Railroad, the Mutual Life Insurance Co., and scores of others.

A study of corporation and financial statistics showed that of the 20 men and women who will constitute the league's executive committee, 13 are officers or directors of organizations with assets of more than \$14,000,000,000.

On the executive committee are Alfred E. Smith, former Presidential candidate and Governor of New York; Irénée du Pont, head of the huge Delaware powder concern; John W. Davis, former Democratic Presidential nominee; and A. A. Sprague, Chicago industrialist.

#### ONE HUNDRED AND FIFTY-SIX ON ADVISORY COUNCIL

Some of the corporations of which committeemen are directors and their total assets:

American Telephone & Telegraph Co., \$3,078,568,666; General Motors Corporation, \$1,183,674,005; Armour & Co., \$356,179,450; United States Steel Corporation, \$2,102,896,860; Mutual Life Insurance Co. of New York, \$1,131,089,858; E. I. du Pont de Nemours & Co., \$605,631,064; Chicago & North Western Railroad, \$857,751,940.

The league named 156 men and women as members of its advisory council. Included were men who are serving as directors of a variety of organizations, including banks, railroads, investment houses, public utilities, and manufacturing concerns.

#### LIST OF ASSETS

Assets of some of the institutions represented by council members:

United Light & Power Co., \$572,658,684; Illinois Bell Telephone Co., \$326,153,423; Shell Union Oil Co., \$657,609,898; Socony-Vacuum Oil Co., \$990,061,283; Central Hanover Bank of New York, \$696,913,634; First National Bank of Chicago, \$643,114,767; Baltimore & Ohio Railroad, \$1,220,833,814; Bethlehem Steel Corporation, \$649,-

388,274; the Pullman Co., \$276,555,754; Great Northern Railway, \$851,424,768; Chicago, Burlington & Quincy Railroad, \$680,464,026.

#### JERSEY CORPORATION NAMED

Missouri Pacific Railroad, \$664,947,552; Anaconda Copper Mining Co., \$692,430,089; Erie Railroad, \$625,505,049; Public Service Corporation of New Jersey, \$345,624,377; Bankers Trust Co. of New York, \$737,202,420; United Gas Improvement Co., \$345,460,440; American Can Co., \$203,004,550; New York, Chicago & St. Louis Railroad, \$309,951,133; Goodyear Tire & Rubber Co., \$198,736,506; Phelps Dodge Corporation, \$345,224,448; and the New York Trust Co., \$310,432,263.

Among prominent members of the council were Pierre S. du Pont, Edward F. Hutton, Henry B. Joy, Alvan Macauley, Grayson M.-P. Murphy, John J. Raskob, Elihu Root, Alfred P. Sloan, Jr., E. T. Weir, Joseph E. Widener, and Hal E. Roach.

Many of the league's staff were listed as officers or directors of a dozen more banks and industrial concerns.

#### N. R. A. CODES—LETTER FROM E. B. BARTLETT

Mr. DUFFY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from one of the leading industrialists of the State of Wisconsin commenting upon the operation of the codes of fair business practice under the N. R. A. While his comments are not in all respects favorable to the operation of such codes, the letter presents a viewpoint which I think is very interesting and instructive.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., January 11, 1935.

Hon. F. RYAN DUFFY,

Senate Office Building, Washington, D. C.

DEAR SENATOR: One of the most serious problems for settlement in Washington is the future of the codes and the entire N. R. A. set-up. As we see the picture, we have never obtained great value from the code work, except from the fact that study of codes and adoption of codes has forced each manufacturer to a more careful study of his own situation and with his competitors. We have gained greatly from the standpoint that the chiseling manufacturer who was able to underpay his labor and pursue dangerous practices has been forced to a better appreciation of proper ways of doing business. It is our opinion here that N. R. A. should not be discontinued. We think it very valuable from the following standpoints:

Firstly. There is no question that minimum labor payments are a good thing during a depression. This prevents the unscrupulous business man from forcing the labor rates of his more scrupulous competitors down below a minimum below which it should not go. Such a minimum should be reasonably low, but an actual minimum that can be enforced.

Secondly. Maximum hours. We are not so sure here that the maximum-hour provision of the code is a good thing. We think it desirable as a temporary measure to help unemployment, but not proper after the emergency is over. The emergency is not past, although it is much less severe.

Thirdly, the N. R. A. should continue to be the tie between business, labor, and government. The various national policies affecting business and labor and the country in general are so vital to all of us that these problems should be studied constantly by a Government unit. The effects of the tariff on business is very vital. We feel here that the N. R. A. should be continued for the above reasons.

Fourthly, as far as price fixing is concerned, that is a field in which various experimentations must be continued. There is no question that vicious price cutting in certain fields has raised havoc in those fields. We, ourselves, feel that posting of prices and publishing minimum prices is one of the best ways to solve the entire pricing problem. If every individual manufacturer is forced to post his price list and any change in that price list a few days or a week or two before he makes the change, he would very often think twice before he would change his price list, and the stability of the entire structure would be improved tremendously. Most price cutting comes under the stress of high-pressure buying, and some of it is regretted the next day. The greatest advantage in the code work, as far as price is concerned, results from the necessity in most of the codes of the manufacturer publishing his price list and only making changes upon a reasonable notice. As far as definite price fixing by Government is concerned, that is such a tremendous problem that we, ourselves, hardly recommend it.

Now, my dear Mr. DUFFY, I was asked by some friends of mine to give our position on the future of N. R. A., and I have tried to do this without going into great detail. I trust that the facts given here are worth while.

Yours very truly,

MILWAUKEE STAMPING Co.,  
Per E. B. BARTLETT, President.

#### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.



## NOMINATIONS WITHDRAWN

The VICE PRESIDENT laid before the Senate a message from the President of the United States withdrawing sundry nominations in the Army, which was ordered to lie on the table.

(For nominations this day withdrawn, see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of sundry officers in the Diplomatic and Foreign Service.

Mr. TRAMMELL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar.

## RESERVATIONS TO WORLD COURT RESOLUTION OF ADHERENCE

Mr. JOHNSON submitted four reservations intended to be proposed by him to the resolution of adherence on the part of the United States to the World Court protocols, which were ordered to lie on the table and to be printed.

## CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CAPPER in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Loneragan	Schall
Bailey	Cutting	Long	Schwellenbach
Bankhead	Davis	McCarran	Sheppard
Barkley	Dickinson	McGill	Shipstead
Bilbo	Dieterich	McNary	Smith
Black	Donahay	Maloney	Stelwer
Bone	Duffy	Metcalf	Thomas, Okla.
Borah	Fletcher	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkeley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Hale	Neely	Vandenberg
Byrd	Harrison	Norris	Van Nuys
Byrnes	Hastings	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Pittman	Wheeler
Clark	Johnson	Pope	White
Connally	Keyes	Radcliffe	
Coolidge	King	Reynolds	

Mr. LEWIS. I reannounce the absence of certain Senators as announced by me a few moments ago, and ask to have that announcement stand for the day.

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

## THE WORLD COURT

The Senate resumed the consideration of Executive A (71st Cong., 3d sess.), protocols concerning adherence of the United States to the Court of International Justice, the pending question being the amendment of Mr. VANDENBERG to the resolution of adherence, as reported by the Committee on Foreign Relations.

Mr. JOHNSON. Mr. President, this day has been of singular significance to the distinguished Senator from Texas [Mr. SHEPPARD]. It is of singular consequence to me, sir, too. This day is the twenty-first birthday of my older grandson, and, Mr. President, I cannot do better by him in whom my affections center nor for those situated as he is throughout this land than on this day to dedicate my poor efforts and my limited talents to the endeavor to preserve the traditional policy of the American Republic and to keep this country free and independent in its every action in regard to other nations.

I speak, Mr. President, not as a citizen of the world; I speak as a citizen of the United States. With that I am quite content, and speaking thus, sir, I speak with the philosophy that has ever been mine during my political life, the philosophy so well expressed in the words of Abraham Lincoln:

I am not bound to win, but I am bound to be true; I am not bound to succeed, but I am bound to live up to what light I have. I must stand with anybody that stands right, stand with him while he is right and part with him when he goes wrong.

So, Mr. President, today I stand where I have stood during the entire political life that has been mine. I stand where I stood in 1918, in 1919, and in 1920, and where I have stood every minute since that time. I stand here, sir, quarreling with no man for his views as to our international relations. I stand here critical of none in this body. I stand here, though, sir, even though I be a little lonely now—I stand here representing the same spirit that I endeavored to represent many years ago and that in all the succeeding time I have represented as best I could here and in this Nation.

Mr. President, a matter of transcendent importance today comes before us. It will not do, sir, either by pronouncement or otherwise to belittle what is now before us. It is nonsense to say to me that what we do is of little moment and small consequence, because the implications that arise from this action of ours today are implications which may bode ill for the future of the American Republic. Believing thus in every fiber of my body and believing it, sir, with every throb of my heart, I cannot do otherwise than present as best I may, within my very marked limitations, to this body and, although it may not carry far, to the people of this Nation what today is being sought and what, if accomplished, it may mean to the American people.

Mr. President, we are asked now to join the League of Nations Court. We are told that we have delayed action for so long that the Senate has been engaged in some reprehensible practices and is open to the caustic criticism of every internationalist there is upon the face of the earth. I deny it, sir. The Senate needs no defense at my hands at all. The Senate, indeed, ought to be unto itself sufficient for its defense under any and under all circumstances. I recognize the faults that may exist here; I recognize that there are times when all of us, if disposed, may indulge in all sorts of criticism concerning our action as a body, and all sorts of criticism, perhaps, concerning some individual activities; but, Mr. President, after all, this is the last free forum there is upon this earth; after all, speak of it as you will, denounce it as you wish, refer to it, if you please, in such language as the internationalists refer to us throughout this land, term it what you may, sir, this Senate of ours stands the bulwark of American principles, and it is the last place where people may look for the protection of their rights and the security of their liberties.

This Senate is just that; and so, Mr. President, I resent the criticism that has been leveled at the Senate by those who are citizens of the world, and who no longer are content with being merely Americans. When they tell us that we are responsible for the delay in regard to entry into this nefarious contraption abroad, I answer they are responsible, and their allies abroad, and not ourselves.

It was in 1926 when erroneously the Senate gave adhesion to the protocols of the League of Nations Court. It adhered to them with reservations which were the irreducible minimum of protection that should be accorded our country in entering that tribunal. Ever since 1926 all that was necessary to be done for taking us into this Court would have been the acceptance of the protective reservations that were made by the United States of America. Finally it remained, when those protective reservations were discussed, for a distinguished American to return here with something else and some substitute that altered the original reservations which had been adopted by this body, and it is they who have caused the delay and not the Senate of the United States. If our conservationists and Europe's scheming diplomats had been willing to accept the unreducible minimum of American protection, there would have been no delay. If Mr. Root had not at the instance of Sir Cecil Hurst manufactured something destroying our irreducible minimum of protection, there would have been no delay. At any moment, much as I would have regretted it, we would have been in this adjunct of the League of Nations. And that the Senate was right and they were endeavoring to do something else while assuming they were doing only what had been



done is demonstrated by the resolution of ratification with its addenda, the celebrated fifth reservation, now presented to the Senate.

Mr. President, the World Court, the League of Nations tribunal, the sacrosanct tribunal for the preservation of peace throughout the world—we are to enter for what? For the determination of any American question? Not so, not so. Are we to enter it for the purpose of deciding any controversy that exists between our country and any other country? Not so, not so. Are we to enter it, sir, in order that we may preserve peace between European nations that now disregard and snap their fingers at that court? Not so, not so.

Why do we enter it? Not for America, not for our beloved Republic; we enter it to meddle and muddle, under an hysterical internationalism in those controversies that Europe has and that Europe never will be rid of. We enter it to do something that is foreign to our soil, foreign to our people, foreign to the genesis of our institutions, foreign to the very characteristics of our Republic. We enter it for that and that alone, and you may be just as certain of that in the beginning as at the end. We are going into the World Court, sir, not for America, not for the United States. We are going in, sir, for the benefit of the Hejaz of Arabia and for Czechoslovakia and Yugoslavia, for Italy, for France, for England, and for all those States that constitute at present the League of Nations in foreign lands. That is why we go into it. We go into it in the sacred name of peace, when there is no peace. We go into it because in stentorian tones gentlemen, weeping great salty tears, tell us that we must go in in order to preserve the world's peace. We preserve the world's peace! It is a beautiful thought; it is a marvelously naive expression that we, with all the nations of Europe save one, feeling toward us like a recalcitrant debtor ever feels toward a creditor, are to go among them to preserve peace among them, which they cannot preserve for themselves.

Where do they go if they want to preserve peace? Not to their League or their Court. Italy meets with France in secrecy for the determination of African boundaries and for the settlement of differences that may exist. If this Court is such a body as is represented to us, if it has the capacity for peace that is attributed to it, attributed only by Americans and by no one else, if it can solve the problems that now exist in European nations and throughout the world, why do not those people with their problems go to that Court for solution? Yet not one of them in the matter of peace or the preservation of peace has ever used the Court or ever will. They will unite among themselves and do just exactly as they ever seek to do, and, doing that, they take us into their particular organizations; that if trouble arises we may bear the brunt, go forward and lead the way in matters which do not concern us and then pay the meddler's price.

For peace go into the League! What peace do you mean? Do you mean that we are going to take up the question of France bombarding Syria? Oh, no; we will stand aside and wink and blink and have naught to do with such a dreadful thing by such a great power. Will we deal with the Egyptian question, with the Egyptians knocking at the door for many, many months in the effort to take up their matters of difference with Britain? Oh, no; Britain is too powerful and too great for us for a single instant to touch such a subject unless Britain desires. Are we going to deal with Mussolini, who blowing up Corfu only a few years ago, laughed at the Court and laughed at the League? Are we going to stop him now in matters concerning Abyssinia, where he is to be given a free hand by France? No; we will do nothing of the sort, and none of them, although the League and Court are theirs, will brook the slightest interference from their own creations.

Are we going to take up the question of Japan's invasion of Manchuria and her rape of China? Are we going to attempt to deal with what Japan has done in tearing up the nine-power treaty and violating every treaty of peace into which she has entered? Oh, no; our Secretary of State prior to

the present one tried that. He tried it when he was told by some of those great nations abroad to take the lead. He buckled on the sword and marched ahead, and when he had marched a short time he looked around to see those who had induced him to march, but they had vanished, and he had nothing to do but to turn and retrace his steps and unbuckle his sword, and the matter rests today just exactly in the sweet will of Japan.

Peace, sir! With what peace are we going to deal? Two little nations down in South America today are at grips. They are at grips in a dreadful and awful war, Bolivia and Paraguay. They are both members of the League of Nations, Mr. President. They are both members of the peculiarly sacred and noble institution abroad. They have been fighting for 3 years now. They have decimated their very populations by warfare. What peace are we going to bring? To what peace do we contribute by going into the League or into a part of the League? Who says we will have peace, peace? Only the blind American internationalists who in their anxiety to forget their Americanism in fawning upon other nations, would blithely lead us into any peril.

I want peace, and I yield to no man upon this floor in the desire for peace. I yield to none upon this floor in praying that there shall be no strife among nations or among human beings in the days to come. But where is peace today, and what peace do we gain by going into this Court or by going into the League of Nations? As I shall show, going into the Court will ultimately mean going into the League of Nations just as surely as that night follows day.

"Peace, peace, peace", they cry, when there is no peace. "Peace, peace, peace", they cry, when those for whom they strive do not desire to keep the peace and do not keep the peace and will not keep the peace. To say that our entry into this Court will bring peace to the world is to me the most silly thing that ever was advanced by sensible human beings. If the proponents rest their adhesion to it upon this mystic formula, and apparently they do, there is not a man in this body who understands the English language and follows current events who ought not in contempt to send them out of this Chamber and refuse to accede to their hypocritical cry.

Peace, Mr. President! We have maintained the peace for years and years in this Nation. We have done it with arbitral courts and arbitration treaties. One hundred years of record of our arbitrations will not be met by this particular instrumentality of the League of Nations in 10,000 years. We have never refused to arbitrate a question or a controversy; never! We have arbitrated some that were of extraordinary consequence and that were of transcendent importance to our land and to the world.

Always we have heeded every award that has been made. Never have we violated in any fashion or in any way any award that has been made by our arbitral tribunals. We have accepted all that have been made, and we have preserved our peace, and we have settled our controversies in that way. To say to us now that we can preserve peace and we can be influential in world affairs only by entering a part of the League of Nations, a League of Nations Court, is to deny the truth of the past 100 years in this Nation and in the world, and is to set at naught the remarkable record which has been made by the United States of America in its arbitral relations with other countries.

I am interested in peoples, Mr. President. I care not for those who consider themselves rulers of peoples. What commends the gentleman in the White House to me is that in his philosophy I take it he believes in peoples. Peoples I should like to protect. Peoples' interests I should like to conserve. But I cannot conserve the interests of the people of the United States by sending them into a league or a court where the controlling individuals represent dictatorships, absolutism, tyranny. The state of the world today is that that is exactly what is the fact.

This, sir, is the most unpropitious time to ask this country to betray its long-standing traditional policy. Of all the times that have come to us during the lifetime of the oldest of us, this, sir, is the worst moment in which to ask the



United States of America to join this peculiar foreign relationship of the League of Nations.

All Europe is seething now. We do not need to be told that. All Europe sits over a volcano. No one knows when the explosion will occur and when difficulties will happen. If Europeans do know, Mr. President, they are looking forward to the day when with their propaganda they will do what they did with their propaganda in 1917—take this glorious country of ours into a war which with our treasure and blood will win, and then afterwards hate us for the very aid that we rendered them and never forgive us for saving them.

We have had our lesson, Mr. President. How often must we be kicked in order to understand exactly what is transpiring? Mirabeau once said of the distinguished statesman Talleyrand that he could be kicked on one side 17 times and retain his facial composure. That might be. I am wondering if the expectation is with our foreign brethren that they cannot only kick us once, twice, or thrice, but that they can kick us 16 times and we, with the inferiority complex which seems to be a part of some men's character in America, kicked thus we will retain our facial composure and go right ahead to do exactly as they want.

Mr. President, what is transpiring abroad to-day all of us understand. Why go abroad to be a part of them in one fashion or in another? Why, now of all times that the Lord ever gave to us, should we depart from the policy which has been ours ever since we have been a nation, and become a part of the mess that exists over there and put ourselves in a position not where dire results with certainty will happen, but where possibly dire results may happen? Why should America take the chance?

I am interested, sir, in 11,000,000 unemployed Americans. I am interested in the swelling relief rolls all over this land. Do you not think there is room here for the exercise of the highest degree of statesmanship we possess in dealing with our 11,000,000 unemployed Americans and the relief rolls which are swollen out of all bounds now? Do you not think that we can deal with our own for a brief period and forget Europe's controversies, Europe's difficulties, and Europe's wars, into which again they would take us if it were possible for them to do so?

Do you not think, Mr. President, there is work enough here for all of us? Do you not think it tries us to the uttermost to deal with the subjects now before us? Why not deal with them? I detest the idea of standing upon this floor and taking even a brief period upon a subject matter such as is now before us. I resent that I have to turn my mind, little as it is, from those things which seem so important to me in our own domestic economy and deal with some subject which is across the sea and which amounts, it is said, to little, but into which, with all the driving force that there is politically in this country and by a powerful and costly propaganda, they are shoving us at the earliest possible moment.

Why, sir, must we turn aside? Delay in the Court, you say, Mr. President? Yes; delay there has been, delay because those abroad would not accept what the Senate wrote into the Senate's acceptance of the protocol of accession. Delay? What delay is there that will occur in the near future that need affect us in the slightest degree? Why turn aside now from ourselves to go abroad for others? I would rather take care of the trials of American citizens here than indulge in the trials of a foreign court abroad.

This Court, Mr. President, comes, as we know, from the League of Nations. It will not do in the heat of this discussion to say that we are undertaking no obligation concerning that League. If there is anything that the American people have definitely decided and upon which they have rendered their verdict, it is that our country should not enter the League of Nations with or without reservations.

If there is anything that ought to have been definitely in the limbo of the past it is the League of Nations so far as the United States of America is concerned. And yet, sir, it is proposed now to take us in, not only to a part but to an integral part of the League of Nations, and the hope is that we

will be taken into the League itself, and when in the League itself, then it will not be difficult for Europe to wreck us.

Authority for this Court, Mr. President, is contained in article 14 of the Covenant of the League of Nations, constituting part I of the Treaty of Versailles. Let me digress to suggest, What is the trouble abroad? What is it that causes the unrest, the unrest which seems to be in every nation over there, and which has been growing constantly and more menacingly with the passage of time? What is it that has caused it? It is the Treaty of Versailles that is maintained there in all its rigors and with all its injustices. What is maintaining it and what is it today that maintains the status quo under that treaty which now nearly every publicist in all the world denounces as a wrong and injustice?

What is it that retains the status quo of that treaty? It is the League of Nations—a part of it the World Court—and it is because that treaty has been continued in inflexibility, with all its harshness, that the difficulties have arisen abroad and that today war is in the air everywhere. It is the Treaty of Versailles; but do Senators think that we would go into this sacred Court and rectify the Treaty of Versailles? Rectify the treaty? Why, those who profited by it would not for an instant tolerate its rectification.

And so these great institutions that we are to be driven into, either with the party whip or to be driven in by propaganda of internationalists or by those pseudo intellectuals who have been driving, driving, driving during the year—these contraptions abroad, foreign in character, are maintaining the status quo of the Versailles Treaty; and they, and they alone, are responsible for the unrest and the inflammable condition that exists abroad now.

The Treaty of Versailles came into force January 10, 1920. It contained provisions that the jurisdiction instituted by the League of Nations is authorized to adjudicate certain disputes. At the second meeting of the Council of the League in February 1920 M. Bourgeois proposed that a committee of League experts be appointed to prepare a draft scheme for the organization of the Court.

I read this because this is the historic statement of how the Court was organized.

In making his report, M. Bourgeois, among other things, pointed out that in order to give full effect to the stipulations contained in the treaty, it was essential that consideration be given without delay to the formation of a court.

The Council appointed an advisory committee of jurists to prepare plans. In the communication inviting the members to serve the Secretary General of the League pointed out that they were to prepare plans for a court, "a most essential part of the organization of the League of Nations." In accepting the invitation the committee assumed the obligation of creating a court in accordance with these instructions.

At the first meeting of the committee at The Hague June 16, 1920, the solidarity between the League of Nations and the proposed Court was emphasized. M. Bourgeois described the two institutions as complementary to each other. M. de Labradell said:

The new Court, being the judicial organization of the League of Nations, can only be created within this League.

Mr. Root acted in accordance with these views.

On June 22, 1920, Mr. Root said:

We must first consider that this new Court must be provided as a part of the system of which the League of Nations is part. We cannot accept the invitation of the Council and recommend a plan for a Court which is not going to form a part of that system.

The plan of the committee was referred to the Council. Modifications were made by the Council of the League. The Assembly of the League made other modifications and alterations; and finally a draft statute was presented to the plenary Assembly of the League of Nations and adopted December 13, 1920. The statute of the Court came into being through a resolution passed by the Assembly of the League of Nations providing for a protocol of signature. The signature to the protocol was limited by the League to members of the League and to states mentioned in the annex to the Covenant of the League.



One of the officials of the League, Mr. Hagerup, of Norway, reported the Court's constitution to the Assembly of the League away back in 1920 and used this language:

You know that a representative of the United States of America, a man of the highest authority, Mr. Elihu Root, took part in the preparation of this constitution. The political party to which he belongs in the United States will soon come into power—

Of course, you realize that this is an old prophecy. [Laughter.]

The political party to which he belongs in the United States will soon come into power; and though this party has not yet decided to go into the League of Nations, it has proclaimed in a resolution that it is quite prepared to accept the Court. I think I shall be voicing the general sentiments of the Assembly when I say this resolution has within it important results. It is a first step leading to the entrance of the United States into the League.

There is an unbiased and an unprejudiced opinion concerning the Court by one of the gentlemen who was a part of the League of Nations at that time.

Not only that, Mr. President, but there is other evidence as well that makes it perfectly certain what the situation will be after we adopt this resolution.

It will not do to say that nothing will happen, because the propaganda that has been in evidence in the past year or two concerning the Court will be emphasized a hundredfold to go into the League after we shall have gone into the Court, and we shall be pilloried day in and day out by the highly paid propagandists and all their dupes.

Just after the matter concerning the World Court was presented in 1923, a gentleman who was then a friend of mine wrote me concerning it. He is a member of this great organization presided over by Mr. Manley Hudson, that has some title like "The League for the Preservation of Peace", or "The League for the Obtaining of Peace", or something of that sort. It is a big national organization. My correspondent is its regional director in the West and this he wrote me. I asked him at the time if he was willing that I should publish it. He said he was, and I read it then in a speech that was made in 1926. I say that so that the Senate may know that I violate none of the amenities in reading it. He wrote me:

MY DEAR JOHNSON: How small the world is, now that electricity has put us all into one room!

Anyhow, I read in the paper this morning your sarcastic quotation from an alleged "great writer" who could perhaps be identified—"all of which is partly true."

You are quite right. Your strictures on the Hughes-Root-Taft plan to sneak in the back door of the League of Nations are "partly true." Hughes' arguments for it are at most "partly true." The whole scheme is illogical, impractical, insincere, and cowardly. And I am for it. But not for these reasons. You, from your standpoint, will be quite right in being against it. There is no present practical situation calling for action. It is a purely academic, theoretical proposal. There are theoretical arguments for it which are "partly true." You can make others as good against it. I am for it because, as an opportunist, if the Government has not the courage to walk into the League by the front door, I am willing not to approve but to submit to the alternative policy of sneaking in the back door. It will ultimately get us in. This is the final reason why you should be against it and I for it. But in your immediate strictures on the manner of it I agree with you, and am glad if you found my phrase one which you could use, even derisively, as a weapon in the criticism.

Mr. ROBINSON. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. MINN in the chair). Does the Senator from California yield to the Senator from Arkansas?

Mr. JOHNSON. I do.

Mr. ROBINSON. Has the Senator stated, or does he desire to state, the name of the author of the letter he has just read?

Mr. JOHNSON. Oh, yes—Chester H. Rowell. He is a publicist of California, and is now one of the editors of the San Francisco Chronicle; and Senators will find, if they look in Mr. Manley Hudson's last book, that he is on the committee that is conducting the campaign.

It may be that Mr. Rowell since then has changed his views. I do not know; I do not care; but I am not of the same opinion that he is. I am not ready to walk into the League by the back door, or the front door, or in any other

fashion. I recognize, and of course you do, the danger inherent in what we are doing today, and the possibilities that may transpire.

Away back in 1926 the New York Times printed a dispatch from Europe in which it quoted an incident that occurred when the news came to Geneva or to Paris—I do not know which—concerning our subscribing to the World Court at that time. The dispatch was by Edwin L. James:

When Premier Briand was asked today to express an opinion on the Senate's favorable vote on the adhesion of the United States to the World Court, he said:

"It is a beau geste. I hope it is the first step."

"I hope it is the first step"! Of course he knew, just as we knew, that it is the first step. But here the clever English diplomat, Austen Chamberlain, British Foreign Secretary, who was present, interrupted quickly:

It is better not to say that.

"It is better not to say that!"

And so we have M. Briand saying with great glee, "It is the first step", and Mr. Chamberlain saying, "Hush! It is better not to say that"; but we can know and we can understand just exactly what this means, and what will be done.

Our distinguished brother, the junior Senator from Idaho [Mr. POPE], openly avows in the press that he is going to endeavor to take us into the League, and that the State Department already has written for him the resolutions that are essential. That, I take it, is the fact, because it was repeated to him in the committee meeting, and he substantially agreed that it was so. So there we are. We are going into this Court with the knowledge upon the part of those who are the influential members of it and of the League that it is the first false step.

Senators, remember Virgil:

*Facilis descensus Averno.*

"Easy is the descent to hell." This is the first step that we are taking in going into the League of Nations, and the propaganda will be wellnigh irresistible once we have taken that step.

There is another reason—and I shall not deal with it at any great length—why it should be impossible for us to enter this so-called "Court." This is no court as we understand courts. This is no institution where merely justice is done judicially between the litigants. This is a court not only with its judicial attributes but with its political attributes, and the latter the more important of the two. This Court, political in character, has demonstrated its political proclivities, and demonstrated them so clearly that nearly the entire press of this Nation, in disillusionment, on the rendition of the decision in the German-Austrian tariff case, spoke of the political character of the Court.

The political character arises, of course, out of advisory opinions. I am not going into them at any length today, because they will be presented upon this floor by another and far abler man, who, having made a study of the subject, can present it so that none can misunderstand. But what are these advisory opinions? Purely political. Judge Cardozo, in a case in New York State, long ago defined what an advisory opinion is. In Two Hundred and Twenty-fourth New York he says, concerning advisory opinions:

The giving of such opinions is not the exercise of a judicial function.

Then he goes on to explain how in England they are given, and winds up with the fact that they are merely advisory; they are not judicial in character.

So we have decisions that are rendered by this Court political in character; and I am sorry to say that the reservation which protects us from any political activity with nations abroad—the reservation which has been carried on every single solitary resolution of accession to this Court in the past—was defeated before the Foreign Relations Committee, but will come upon this floor again for action by the Senate.

When the decision was rendered in the Austro-German customs union case, various newspapers throughout the land commented on it. I have gathered some of those comments



together from those papers which are not unfriendly to the entrance of the United States in the Court. I have taken but a few of the many, but these few I want to read so the Senate will understand that it is dealing here not with a judicial tribunal but with a political tribunal, and it ought not to require any evidence on the part of any man with a head upon his shoulders to understand that fact.

How long do Senators think a man from Italy would sit upon that Court and render a decision against Italy and Mussolini? If Germany had continued to be a member of the League and Germany had a representative upon that Court, how long do Senators think that representative would last with Mr. Hitler if that representative rendered a decision against him?

Take it with every one of those governments where dictatorship exists that have representatives upon the Court—why, of course, human nature will convince us, unless we have forgotten all we know about it, that the men who sit there, representatives of dictators, representatives of those people where angry passions nationally have arisen—those representatives will decide not according to the law, not according to the judicial concepts that we may have; they will decide upon the politics of the situation and upon the politics that affects their particular territory.

Here are some of the views that were expressed by newspapers upon this subject when the German-Austrian decision was made.

[From the Chicago Daily News, Sept. 9, 1931]

#### THAT WORLD COURT ADVISORY OPINION

Many advocates of entry by this Nation into the International Court of Justice, one must think, are deeply disturbed by the inescapable implications growing out of the advisory opinion given by that tribunal in the Austro-German customs union case. It is painfully manifest that the majority in the 8-to-7 result reached its adverse conclusion by a process of reasoning that is decidedly more political than judicial. \* \* \* The United States Senate has yet to decide whether or not it will accept the World Court protocols approved by the National Executive. And most assuredly neither the Senate nor enlightened public opinion will entertain the idea of adhering to a quasi-judicial tribunal that sacrifices principles of law to political considerations or the fancied interests of a particular power or alliance of powers. Such a court \* \* \* belies its solemn pretensions and betrays instead of upholding the cause of international law and justice.

[From the New York Herald Tribune]

#### THE TROUBLE WITH THE WORLD COURT

The reaction in this country to the World Court's advisory opinion on the Austro-German customs union has inevitably been unfavorable. Some of the strongest friends of the Court have expressed the greatest disappointment. It could hardly be otherwise. For the line-up of the Court exhibited a depressingly strong political bias, and its decision by an 8-to-7 vote robbed its findings of all weight or pretense to finality. Faced by a major issue, affecting the fundamentals of European organization, the Court failed to function either judicially or effectively.

[From the Chicago Evening Post]

By a vote of 8 to 7, the pact was ruled illegal. Unfortunately for the prestige of the Court, the cleavage was almost wholly on partisan lines, with France and her continental allies swinging the majority vote. Former Secretary of State Kellogg, the American member of the Court, voted with the minority, which held that "It cannot find reasons explaining how the regime would endanger her (Austria's) independence."

World Court skeptics can claim, with some show of justice, that wherever there is a shadow of doubt, politics rather than law dominates the Court's post-war decisions. \* \* \*

From the New York Times, probably the strongest internationalist paper there is in the United States:

A fear that the behavior of the World Court in the matter of the German-Austria customs alliance would be seized upon by American enemies of the Court was justified last week. Washington dispatches related that Senators who have steadily opposed American adherence to the Court, with or without the Root formula, are prepared to fight the proposal again, and believe that they at last have definite evidence to support their hitherto theoretical argument. This evidence the Senators hold to has been supplied by these circumstances of the World Court's opinion—its political cast; the advance intimation, so that the abandonment of the plan at Geneva by Germany and Austria before the decision was made public could be charged to foreknowledge, and inferences to be gathered from the division among the judges.

Realistic friends of the World Court are agreed that its prestige has been deeply injured. There can be little doubt that the chances of American adherence have been badly damaged. In the Senate

there has been no particular enthusiasm for the Court. The protocols have been kicked about committee rooms. Presidents, while urging them upon the Senate in grave and lofty terms, have been inclined to let things go at that. No real administration effort to press the issue has been made.

Meanwhile the enemies of American adherence have attacked the advisory-opinion function of the Court from two angles. They have expressed resentment at the prospect that the United States should be given European advice on its sovereign rights, thrusting aside the answer that, by formula, this prospect is excluded. They have contended that in its decision the Court is certain to decide from the political viewpoint when great nations are involved. The recent line-up of the Court has given strength to the latter contention and color to the former. When the World Court divides 8 to 7 on an advisory opinion, sought by the League Council, it is obvious that this opinion is of no value. And when the detail of the division shouts "politics" it is obvious that the charge must lie.

And then in addition to that, the other equally strong internationalist paper, the Baltimore Sun, has this terse expression. It says of the opinion:

The product of partisan judges who voted like ordinary politicians for the boys back home.

And this is the sacrosanct Court that we are to go into in order that we may save the world, bring peace to a war-torn Europe, and ever afterward have happiness among all the peoples of the earth!

The propaganda that has been used in this regard is such that it ought, indeed, to make every man here stand straighter in determining the fact and rendering his decision.

There is one thing that is of extraordinary importance in this Court as well, and that is what the implications are from membership. Before the Committee on Foreign Relations during the hearings appeared Mr. Clark, and he presented a brief in relation to this subject matter that I think is unequalled in all the briefs we have had and all the evidence that has been put before us since this controversy began.

Mr. Clark holds distinctly that behind the Court are the sanctions of the League, and that we may find ourselves, if we sit upon this Court, in the very singular situation finally of being a party to sanctions being imposed upon recalcitrant nations. We understand, of course, what sanctions are. Sanctions, under the League formula, mean any sort of thing that may be done to enforce its conclusions and its decisions. But they mean something else. Oh, you peace-loving gentlemen! Oh, weep your eyes red in telling us about the peace that will come to us from the League of Nations and the Court—you, you are standing here in behalf of League of Nations sanctions in thus doing—sanctions that are the cruelest, the harshest, the most terrible thing in all the horrors of warfare. I would rather see men shot by shell or even killed by poison gas than to have women and children and noncombatants, the weak, sick, and the infirm starved to death, as is the plan of the League of Nations when its decisions may not be carried out.

Sanctions! If there are sanctions behind any decision that this Government may render, then this Government has departed so widely from its old traditional policy that every American ought to hang his head in shame.

Sanctions! Sanctions mean simply starvation, want, hunger, killing the weak, the infirm, the small, the aged, and the young—those who cannot fight. They mean the cruelest thing that there is in all warfare.

Not only does Mr. Clark say that sanctions are behind the decisions of this Court, but Mr. Manley Hudson himself, the great bellwether in all the propaganda in behalf of the League and the Court, says exactly the same thing. Mr. Hudson says, in his work:

The statute fails to make any provision for the enforcement of either interim or final judgments, and the only sanctions behind the Court are those contained in the covenant; and if any State shall fail to abide by a decision it will be for the council of the League to propose what steps shall be taken to give effect thereto.

And the Council of the League may determine that sanctions be employed.

Why, there was talk of sanctions only a little while ago when Japan tore up her treaties and broke her solemn agreements—there was talk of sanctions then. But do you know what they asked and what was wanted? They wanted the United States of America to stand in the van and to be the



one first to apply the sanctions to Japan because of Japan's actions in Manchuria and in China. And be it said to the good sense of our people, we declined to be the cat's-paw, although our Secretary of State apparently marched ahead for the purpose of going the route. And, of course, he was immediately deserted by the great members of the League.

I do not want any son of mine or any grandson sent over to China in a war between China and Japan. And I have very strong feelings concerning the attitude of the Japanese in relation to treaties and in relation to what they have recently done, but God deliver us from the day when by joining a league, or joining a court, this country of ours will be party to levying sanctions upon a harmless part of a particular nation or bring starvation to those who are least able to bear it. I want none of mine in it. Why take the risk? How ironical to join for the sake of peace—the peace of sanctions.

Mr. LONG. Mr. President, how does the Senator mean to spell that word "peace"? They have an \$11,000,000,000 piece over there now belonging to this country.

Mr. JOHNSON. I was going to speak of that in just a moment.

One of the arguments which was advanced by my distinguished friend from Arkansas the other day—an argument with which I was not unsympathetic—was that we should not stand aside, accept something from the Court, and then refuse to pay our proportion of expenses or to do that which we ought to do. He called it a "sponger" argument, and as a sponger argument he held it up to ridicule and to obloquy. I would not say that he was not right concerning that sponger argument; but just look for a moment at the other side of the picture. You want to take our own revered Uncle Sam where? Where spongers upon him sit in judgment upon him, and not only the spongers upon him but those who made and solemnly signed treaties. Every one of the spongers got our money as they begged it. Every one of them wept in gratitude. Every one promised in treaties to repay. Every nation owing us save Finland violated their solemn written promises and repudiated their plighted faith. Now we are to sit with spongers, with welchers, and with repudiators of treaties in the sacred name of peace. What a scene!

Talk to me of a sponger argument! Take our country into a gathering of that sort, and where are we? I have heard in my time of a debtor submitting himself to the judgment of his creditors, but I never yet have heard of a creditor submitting himself to the judgment of his debtors, and that is what we might wander into in the course of our peregrinations down this internationalist bypath. In their gyroscopic somnambulism, these gentlemen, pseudointellectuals, who think they are beyond ken and that no man is able to comprehend them, talk in this lordly fashion. They tell us, "Just take your country into the leadership of the world", never for an instant thinking of the older nations that have lived all their lives with their glorious history behind them and are proud of their traditions. What do they think when they hear us prating about leading the world and leading them? They must smile with their tongues in their cheeks as they devise the methods for utilizing our idiocy.

Some of our people have an inferiority complex in dealing with foreign nations; that is something remarked upon all over the world, and we cannot avoid remarking upon it here. There seems to be a segment of the American population that spends its time in its anxiety to obtain a foreign decoration. I recall when I was in Paris one distinguished American waiting there for 2 long months to get a decoration from France.

I feel friendly toward every nation; I have no prejudices, no hatreds—none whatever—or bias at all concerning a single one; I recognize their right to do just as they please; but I demand my right to have my country do just as it pleases. I do not want my country shoved across the water, so that it may be—not will be, but that it may be—under the power or the authority of those who are abroad. Senators all know how those abroad think and feel toward us; there is no use amplifying that subject; but now is the most un-

propitious time that was ever suggested for us to join the League Court; now is the worst of all the periods when this question has been before us to do what is asked of us.

I wish that I could prevail upon the Members of the Senate to secure the statement of Mr. Reuben Clark which will be found in the Foreign Relations Committee hearings, part II thereof, and read what he says, and also read his brief. It is a remarkable document prepared by a very able man. He has the advantage of not only being a very great lawyer but he has also been a diplomat, and he has been connected with the State Department in days gone by. If Senators will read that brief, if they will follow at all his argument, they will be in a better frame of mind to do the thing that ought to be done this day.

Now, in order to ease us into the World Court, we are repeatedly told that we need not submit any questions unless we want to and that we can go in and be a part of the Court and submit questions or not, just as we choose. Like my friend from Arkansas, in the case of the sponger argument, I cannot fathom entirely that kind of argument. It is neither appealing nor persuasive with me. It was phrased a little differently by one of our Presidents when he said that it—the Court—is a convenient instrumentality to which you may go but to which you cannot be brought.

I do not care for instrumentalities of that sort. If this country is going to join any organization abroad, let us go in not with the idea that it is an instrumentality to which we may go but to which we cannot be brought; let us go in with our heads high, though we hate it; let us go in as Americans manfully to play our part. To say to me that we are going into an organization as to which we may go in if we want or stay out if we desire is an argument that has neither force nor weight nor logic nor persuasiveness behind it. If we are going to act in the fashion that we should, if we are going to stay out altogether, the argument may be more or less effective with certain individuals. But that is not the purpose of this particular organization, and very shortly after we get in we would find the purposes presented by the organization vastly different from what we assumed them to be under an argument of that kind.

Mr. President, the resolution of accession presents a rather strange situation. I am not going to present it at any length particularly today, but I should like to commend it to the distinguished Senator from Arkansas and to the Members who are here. I am not clear as to what was done with the reservations that were supposed to be attached to the resolution of accession to the Court. Let me recall to you the historical situation. We have a protocol dated 1920; that is the original protocol of admission to the Court. We have then a protocol, or call it such, concerning amendments to the Court; and then we have the protocol presented at the time the Root formula was submitted here. I am unable to determine for myself, I am not clear in respect to the matter whether or not the first four reservations are preserved by the protocols that are thus accepted by us. It is true that we accepted on one occasion the protocol with our reservations; it is true that thereafter there was a gathering of the clans at Geneva out of which came the Root protocol, but the Root protocol does not traverse the first 4 reservations, only 1 of which, in my opinion, is of very great importance. I may be entirely in error in this, and we will take it up as we proceed with the argument hereafter, but there is no place that I am able to discover where there has been an acceptance of the reservations which were adopted by the Senate which will be authentically official in the days to come. As I say, I express that thought in interrogative form to the Senator from Arkansas and we may take it up subsequently during the debate.

Mr. STEIWER. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Oregon?

Mr. JOHNSON. I yield.

Mr. STEIWER. In referring to the reservations, is the Senator from California referring to the five reservations incorporated in what we usually call the Swanson resolution?



Mr. JOHNSON. Yes, sir; and let me call attention to the fact that not only were there 5 reservations but there were 2 resolutions which were quite as important, quite as necessary for the protection of our country as the reservations. Indeed, the only one of the reservations that I deemed of consequence was the first one saying that we had no connection with the League of Nations or the Treaty of Versailles.

Mr. BORAH. Mr. President—

Mr. JOHNSON. I yield to the Senator from Idaho.

Mr. BORAH. I desire to ask where do the five reservations appear in any document which the foreign nations have approved? They have referred to these reservations, but in what document do the five reservations appear as having been specifically approved by the foreign nations?

Mr. JOHNSON. That is exactly what I was referring to.

Mr. ROBINSON. The reservations, of course, appear in the Senate resolution of advice and consent of 1926. In the protocol of accession, which is now under consideration, in the first paragraph, as I remember, it is stated that the signatories accept the five reservations.

Mr. BORAH. That is true, Mr. President; they accept them by reference, but the reservations which were presented to the foreign nations in 1926 were rejected; they refused to accept them. The only reference made to them thereafter is in the resolution to which the Senator adverts, where they refer to the four reservations.

Mr. ROBINSON. The five reservations.

Mr. BORAH. The five reservations. They say that these five reservations are approved upon the terms and conditions herein specified. I think that that is not an approval of those five reservations. It is an approval of them with modifications, which are therein stated. I do not see, if the Senator from Arkansas will permit me and if the Senator from California will also indulge me, why those five reservations should not be incorporated in the resolution of ratification.

Mr. ROBINSON. The only reason that I can see is that it is wholly unnecessary to do so, the reservations having been set forth in the original resolution of the Senate and having been accepted by the signatories to the protocols. They are in the Record.

Mr. BORAH. I do not want to take the time of the Senator from California further.

Mr. JOHNSON. That is all right. I am very glad to yield because I was seeking information when I asked the question of the Senator from Arkansas. I wanted his opinion upon it. I have looked at the matter since, and I am very doubtful whether we can hold that the reference is sufficient unless we can find that the reservations are a part of some official document in the League of Nations.

Mr. ROBINSON. They are a part, as I have already stated, of the original resolution of advice and consent.

Mr. BORAH. Mr. President, what I call the attention of the Senator from Arkansas to, which I sincerely hope he will consider before we finally vote upon this question, is that the reservations in the resolution to which he has referred are accepted upon the terms and conditions "herein stated."

Mr. ROBINSON. I understand that fully.

Mr. BORAH. "The terms and conditions herein stated" may and do modify, in my judgment, those reservations, and I do not see why they should not be incorporated in full, and then accepted as herein provided.

Mr. THOMAS of Utah. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Utah?

Mr. JOHNSON. I yield.

Mr. THOMAS of Utah. If the Senator from California will yield for a moment, I desire to say that I think in the protocol which is called the protocol of revision and acceptance there will be found not only the wording but also the spirit of all five of the reservations, and in the protocol of revision it will be found that the reservations themselves have been incorporated into the fundamental statutes of the Court itself, that the protocol of revision sets up the present rules under which the Court operates, and those rules include the spirit and provisions of the first four reservations.

Mr. JOHNSON. Does the Senator say that in the amendments made to the statute, reservation 1, occurs—

That such adherence shall not be taken to involve any legal relation on the part of the United States to the League of Nations or the assumption of any obligations by the United States under the Treaty of Versailles.

Does that occur?

Mr. THOMAS of Utah. That reservation is accepted and is understood.

Mr. JOHNSON. Pardon me; I understood the Senator to say it was in the amendment to the statute.

Mr. ROBINSON. Mr. President, will the Senator indulge me further for a moment?

Mr. JOHNSON. Certainly.

Mr. ROBINSON. To my mind, the question is easily answered. There is not the slightest occasion for uncertainty about the matter.

The Senate of the United States in 1926 adopted a resolution advising and consenting to the protocol. It attached certain reservations—five in number. When the other signatories considered the subject, there was finally incorporated in the protocol, which is now before the Senate, as I said a moment ago, the following statement:

ARTICLE 1. The States signatory to the said protocol accept the special conditions attached by the United States in the five reservations mentioned above to its adherence to the said protocol upon the terms and conditions set out in the following articles.

Then articles 2, 3, 4, 5, 6, 7, and 8 follow, but all of those articles with probably one exception are intended to give practical effect to the five reservations and do not in any particular modify the reservations or change their effect. They give force to them, as clearly appears from reading the language.

As I said yesterday in my remarks upon the subject, a question did arise touching that part of the terms and conditions which had application to reservation no. 5, but any doubt that may exist as to that is removed by the provisions of the pending resolution. When we adopt the resolution, if we do so, we will have agreed to the protocol in which they have accepted the five reservations, and that will conclude the matter.

Mr. BORAH. Mr. President, may I ask the Senator from Arkansas another question?

Mr. JOHNSON. I yield for that purpose.

Mr. BORAH. I would agree with the Senator entirely in his contention if it were not for the clause which reads "upon the terms and conditions herein."

Mr. ROBINSON. The expressed terms and conditions, when we consider the language of the terms and conditions, do not in any wise modify the reservations. They do not change their legal or practical effect. The principal object of the terms and conditions set forth is to make certain that the United States will have notice of an application for an advisory opinion and be afforded the opportunity if interested to prevent the request for the opinion going forward from the Council or the Assembly, and then also be afforded the opportunity, if the request does go forward, to prevent the entertainment of the request for the opinion and the rendition of an advisory opinion by the Court touching a subject in which it has or claims an interest.

The terms and conditions referred to facilitate and give effect to the reservation of the United States denying the Court's jurisdiction to consider, without the consent of the United States, any request for an advisory opinion touching a question or dispute in which the United States has an interest.

To my mind the question raised by the Senator from Idaho presents not the slightest difficulty.

Mr. BORAH. I did not raise it. The Senator from California raised the question.

Mr. ROBINSON. I beg the Senator's pardon—the question raised by the Senator from California. When we agree to this resolution, if we do so, and when the ratifications are exchanged, all five reservations will be in force and effect. There can be no doubt of that, because one of the protocols which we are considering expressly makes that declaration.



Another protocol, as suggested by the Senator from Utah [Mr. THOMAS] relates to the statute of revision, and the revisions that it carries are intended to give effect to the reservations which the United States has made, which reservations have been accepted by the signatories.

I thank the Senator from California.

Mr. JOHNSON. I appreciate what the Senator has said, and I invited it. I am very glad to have his explanation. I am not clear in the matter myself, but I shall take it up at some future time.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Nebraska?

Mr. JOHNSON. Certainly.

Mr. NORRIS. I should like to ask further what effect have the two resolutions which were adopted at the same time with the five reservations? I am wondering why they do not appear as reservations instead of resolutions. When reference is made to the approval, are those resolutions approved?

Mr. ROBINSON. I do not understand that the resolutions to which the Senator from Nebraska refers are agreed to in the protocol. I do not understand that to be the case, because the language of the protocol is that the special terms and conditions set forth in the five reservations are accepted and there is no mention of the resolutions that I recall. I shall look further into the matter.

Mr. NORRIS. There is none. I have made examination of the matter.

Mr. JOHNSON. The first refers to conditions, my recollection is, and the second refers to reservations. It is rather a strange thing, but until the recent meeting of the Foreign Relations Committee I had never heard of any rejection or objection to the two resolutions originally adopted by the Senate. I think the Senator from Arkansas and the Senator from Idaho are in like position in that regard.

Mr. NORRIS. Mr. President, if I may interrupt the Senator further?

Mr. JOHNSON. Surely.

Mr. NORRIS. I think the Senator from Arkansas is right when he says that the protocol as now before us makes no reference whatever to those resolutions.

Mr. JOHNSON. Quite so.

Mr. NORRIS. But it does refer to the five reservations. The resolutions are really reservations just the same as the others.

Mr. JOHNSON. That is quite so; but what I was trying to say to the Senator was that up to the discussion which has just transpired in the Foreign Relations Committee I never assumed and I never thought there was the slightest objection to the two resolutions.

Mr. NORRIS. Let us get the parliamentary situation. Suppose we approve the resolution offered by the Senator from Arkansas, then will it not follow as a matter of fact that the two resolutions originally adopted by the Senate are not approved?

Mr. JOHNSON. Oh, yes; because we have had that contest.

Mr. NORRIS. We would have to pass them again at this time?

Mr. JOHNSON. I think so, because the contest has arisen on them now. Both of them were presented in the Foreign Relations Committee and both were defeated.

Mr. ROBINSON. I think there is no doubt about that. Since the acceptance by the signatories of the proposal of the United States does not include the resolutions to which the Senator from Nebraska refers, but specifically includes the five reservations attached to our resolution of advice and consent, the resolutions are not in the protocol.

Mr. JOHNSON. That is obvious now.

Mr. ROBINSON. Yes. It has been obvious to me from the beginning.

Mr. JOHNSON. Did the Senator from Arkansas ever hear these discussed since they were presented? Was not the only discussion carried on about them after the Root formula and the five reservations?

Mr. ROBINSON. Yes; that is entirely true, and in my judgment that circumstance is responsive to very sound considerations affecting the subject matter. Of course this is a matter of argument, and it is a matter about which the Senator from California and I probably would not be in accord.

Mr. JOHNSON. That is quite so.

Mr. ROBINSON. We are in accord upon a great many subjects, but we have never been able to reach an agreement about anything I can recall touching the World Court.

Mr. JOHNSON. I think the Senator is right. [Laughter.]

Mr. ROBINSON. It is hardly with the hope of convincing him at this juncture that I have offered any suggestions.

Mr. JOHNSON. I was trying to straighten the thing out so we would know just "where we are at." That is the reason why I made the inquiry.

Mr. ROBINSON. I repeat what I said in the Foreign Relations Committee, that the Moses resolution, or whatever it may be termed, and the two resolutions which have been specifically mentioned by the Senator from California are not incorporated in my resolution of advice and consent. If my resolution be agreed to in the form in which it is presented they will not be a part of the arrangement.

Mr. JOHNSON. That is perfectly clear.

Mr. BORAH. Mr. President—

Mr. JOHNSON. I yield to the Senator from Idaho.

Mr. BORAH. When the resolution of ratification which was adopted in 1926 was completed it included the two resolutions about which we have been talking—that is, the resolutions with reference to abandoning the traditional policy of the United States and the action of the Senate with reference to submitting treaties. But when the conference ended at Geneva, which was attended by Mr. Root and which resulted in the Root-Hurst protocol being returned to the United States, they were eliminated and they have not since been considered as a part of that protocol. That is one thing in the Root-Hurst protocol about which there was no ambiguity.

Mr. JOHNSON. Mr. President, in order that we may clear this matter slightly, let me recall to the Senate that originally 5 reservations were adopted by the Senate and 2 resolutions which in effect are reservations as well. The dispute arose neither concerning the first 4 reservations nor concerning the 2 resolutions. The dispute related along to the fifth reservation and a part of that fifth reservation. Until the other day, as I said a moment ago, I had assumed that there was no objection upon the part of foreign countries to the two resolutions. I have never heard any discussion or any suggestion concerning the non-acceptance of any part of the reservation of accession originally passed by the Senate save concerning a part of reservation no. 5. There has been no allusion, so far as I know there has been no suggestion of hostility by those who met abroad with Root to the two resolutions.

Let me read the two resolutions; and the first time that I knew of any objection on the part of anybody to these two resolutions was when we met in the Foreign Relations Committee the other day. These are the two resolutions:

*Resolved further, As a part of this act of ratification that the United States approve the protocol and statute hereinabove mentioned, with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute.*

That was no. 1. It was intended originally, when that resolution was adopted, to maintain our hand, if we could, upon the disputes that were presented by the United States of America, and wield the power that the United States Senate had ever wielded in regard to treaties or in regard to matters of that sort.

The last one, the second resolution, was as follows:

*Resolved further, That adherence to the said protocol and statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign*



state; nor shall adherence to the said protocol and statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions.

That reservation has been defeated by the Foreign Relations Committee. It will come upon the floor here, so I shall not attempt to argue it at this time; but I want to put it, if I can, in the mind of every man upon this floor, and I want to ask him whether he is ready to say by his vote that the traditional policy of the American Republic is finally repudiated by the United States Senate upon political questions that arise abroad, or that the policy in respect to domestic questions is abrogated or changed.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. JOHNSON. Yes.

Mr. ROBINSON. In order that there may be no misunderstanding of the position taken by the committee, and waiving argument of the matter at this time, deferring it until the question is actually before the Senate, I wish to state that, in my judgment, no question of abandoning our traditional policies, or of submitting to the Court of International Justice purely domestic questions, is involved in the consideration of this resolution of adherence; that the adoption of such a resolution would be merely confusing, would add nothing to the position of the United States, and would accomplish no wholesome end; and that by rejecting such a resolution we do not abandon any policy that we have, or any purpose that we have.

I thank the Senator for yielding to me.

Mr. JOHNSON. Mr. President, I am forced to disagree with the distinguished Senator from Arkansas in that regard. This resolution has been attached to every foreign treaty of conference, organization, and the like into which the United States has ever entered. Even in 1909, upon the treaty relating to the Hague Court, that reservation was appended by the Senate. Twice, I think, while this matter has been pending before the Senate of the United States that reservation has been adopted.

It may be that the question never would arise. That may be correct. I am not going to gainsay it; but this is one of the protective reservations that has ever been deemed essential by the Senate, and to eliminate it at this time in connection with this particular tribunal would leave implications that would be most unfortunate for the United States of America.

I do not argue this matter now, because doubtless it will be the subject of an extended debate in this body shortly. The reservation has been presented by the Senator from Michigan [Mr. VANDENBERG], and he undoubtedly will take the laboring oar in presenting his views upon it. Then all of us, I assume, will likewise express ours. So I leave the subject now with the simple statement that here is a reservation which preserves the United States in its traditional policy not to be involved in any political questions abroad, which the United States Senate apparently will decline to sanction. Never in the course of the history of the United States Senate has it ever been denied before. When the argument comes up we shall ascertain whether or not it is to be denied for the first time in 1935.

Mr. VANDENBERG. Mr. President, will the Senator yield before he leaves that part of the discussion?

Mr. JOHNSON. I yield.

Mr. VANDENBERG. There is a very curious disagreement respecting the statement of the situation as submitted by the Senator from Arkansas and the record in respect to the status of these two resolutions.

It is true that the protocol of accession says that our adherence is acknowledged subject to the five reservations. It is equally true that the official document of the United States Senate respecting the World Court defines both of these resolutions as being the third and fourth paragraphs of the fifth reservation. I show the Senator from California the official publication, and I show him the identification of the resolution which he has just read; and the official identification is that it is the fourth paragraph of the fifth reservation.

If that be the official identification, why is it that the paragraph which accepts the five reservations in the pro-

tol of accession does not accept the resolutions as well?

Mr. ROBINSON. Mr. President, to what document is the Senator referring?

Mr. VANDENBERG. The Senate's official compilation of World Court material, published on December 16, 1931. It assumes to quote from the Executive Journal of the Senate.

Mr. ROBINSON. Mr. President, it is clear to my mind that the two resolutions—the one relating to traditional policies and the other relating to the manner of referring questions to the Court—are not a part of the fifth reservation. They were never so treated by the Senate or by the Foreign Relations Committee; and the document to which the Senator refers is not an official document in the sense in which he attempts to describe it.

Mr. VANDENBERG. Mr. President, will the Senator from California yield for one moment further?

Mr. JOHNSON. I yield. If Senators will pardon me for saying so, I think this discussion is informative, and that it is a good idea to have it at this time.

Mr. VANDENBERG. I assume that I have a right to rely upon the compilation made by the Secretary of the Senate, and I assume that it is accurate when it purports to quote the CONGRESSIONAL RECORD.

Mr. ROBINSON. From what page of the document is the Senator reading?

Mr. VANDENBERG. Page 37 of the document. It assumes to quote from the CONGRESSIONAL RECORD, and quotes the CONGRESSIONAL RECORD as describing in this language the final resolution which the Senator from California has just read:

The fourth and last paragraph of reservation no. 5 was read, as follows:

Therefore, so far as our official Senate identification is concerned, the resolution to which the Senator refers is part of the reservation; and when the protocol of accession accepts the reservations, and then we in turn decline to reinsert the fifth reservation, I submit that it is a most amazing paradox.

Mr. NORRIS. Mr. President—

Mr. JOHNSON. I yield to the Senator from Nebraska.

Mr. NORRIS. I should like to add a word to what the Senator from Michigan says.

The Senator from Michigan refers to this document and says that it refers to the CONGRESSIONAL RECORD. I do not think that necessarily makes it evidence; but it also refers to the Executive Journal, which is an evidence of what the Senate has done—the Executive Journal, volume 64, pages 541 and 542.

If the Journal of the Senate would show that this resolution is a part of reservation no. 5, I think any court would have to accept it as part of the record; and if this is a correct copy of the Journal, it would be a part of reservation no. 5.

Mr. JOHNSON. One of the indicia of what the Senator says is the fact that no living soul ever heard of an objection to those two reservations until the other day.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. JOHNSON. Yes.

Mr. VANDENBERG. As bearing further upon the Senator's latest observation, this particular paragraph of the fifth reservation was submitted by itself for a vote in the Senate on January 26, 1926, and it was unanimously approved.

Mr. JOHNSON. Yes; I know that. The statement to that effect will be found in the RECORD.

Mr. President, to resume briefly, I want to say that I am very glad to have these discussions. The fact of the matter is that all of us have been engrossed in our daily tasks. They are no small tasks, too. All of the Senators, I am sure, feel just as I do in that regard. Naturally, it has been a difficult thing to twist our minds back over the period of 12 years in a contest that was of great moment, but that lasted for a long time, and had many, many details; and I think the more we can thrash this thing out upon the floor in the fashion that we have done today, the better it is for the Senate and the more information will be derived,



because, sir, I believe there are men in the Senate who want information upon the subject and are very glad to have it.

As the President said this morning, this is not a political question. It is not a political question with Members of this body, I take it. I know it is not a political question with me. This is one of the questions where men may disagree, it is true; but it is one of the questions where a man may do all in his power under all circumstances, and go forward, no matter what the consequences may be, in behalf of an honest opinion. I am ready to do that, and I have done it for 16 years in the past.

In 1919, when we began the contest on the League of Nations, there were few to do us honor, and few to listen to our arguments. We went from State to State then presenting our cause; and although the great newspapers of the country supported the League, and every paid propagandist in the country was on his feet and on the rostrum in behalf of the League, when the common people—who, thank God! are in the majority yet in this Nation—understood the issue, there was no question about the result.

It is just people in whom I am interested. I cannot, of course, convince a metropolitan daily or a professor from a particular college. Of course, I cannot convince a gentleman who receives a salary of considerable extent per week or per month for propagandizing concerning this matter. But I should like again in the strength that I had in 1919 and 1920—I should like again to present this question and the question of our going into Europe—I should like to present it to just the common people of America, and I would do it with an absolute confidence that they would again agree that we should never join with a European organization that might take us across the water and again embroil us in Europe's wars.

Mr. President, this is not the first time that this country of ours has had to consider what would be done under certain circumstances in regard to its foreign policy. It is a little more than 100 years ago when with sanctified utterance the endeavor was made by the Czar Alexander to bring to the world his great Holy Alliance. His language was not different from that we heard during the fight upon the League of Nations or that we hear now about this World Court—a court so futile in its operations that it is really unable to decide anything except a political question.

The Czar Alexander, one of the great monarchs of the time, and one of those who was a conqueror of the great Frenchman—the Czar Alexander in language as florid as any that has been dripped on us, told of the aims of his Holy Alliance, and I desire to read a word or two that you may see how history repeats itself, and so that you may see how even in the young days of the Republic men then stood their ground and fought their fight, fought it for their country, and announced their doctrine, which has been the doctrine from that time unto this.

The Czar and his fellow sovereigns forming the Holy Alliance sent forth their pronunciamento to the world as this:

Conformably to the words of the Holy Scriptures, which command all men to consider each other as brethren, the three contracting Monarchs will remain united by the bonds of a true and indissoluble fraternity. Considering each other as fellow countrymen, they will on all occasions and in all places render each other aid and assistance; toward their subjects and armies, they will extend a fatherly care and protection, leading them (in the same spirit of fraternity with which they are themselves animated) to protect religion, peace, and justice.

I will not read the rest of the pronunciamento, but it is composed in the same diction and follows along the same high plane with the same high purpose. Then forming, as they did, the Holy Alliance, the victorious monarchs started in the holy name of peace to make plain to the people of the world how never again should war trouble, how men should ever walk upright, and all should be brothers. Uncut in their liberality, they promised subjects happiness and prosperity. They went on with the Holy Alliance until finally England, canny England, began to understand, and England ultimately withdrew.

That is what we are doing today, you know, bringing peace and happiness to all our people by joining a warlike

aggregation across the Atlantic Ocean! The Holy Alliance continued its activities until Metternich, wily politician and clever statesman, finally wrought his will within that alliance and its cornerstone became legitimacy. Then when people had revolted in Spain and a wretch who had been put upon the throne had fled, the Holy Alliance, in the name of "religion, peace, and justice" sent its troops to Spain, destroyed freedom, and put him back upon the throne, and thereafter the Holy Alliance became simply the engine of tyranny and an object of contempt and ridicule.

During the period of time when the Holy Alliance was embracing the world and telling the world just exactly how it should act, and how it would carry on and keep its peoples free and happy and contented and prosperous, its advocates came to America for the purpose of engaging our Monroe and our Adams, and getting our accession to their particular tribunal. Oh, ye people of Massachusetts! let me read what Mr. Emerson said in that day. Let me state to you that during that period when the Holy Alliance was asking the accession of the United States of America the Massachusetts Peace Society passed its resolutions, demanding that we join this particular tribunal for the sake of maintaining peace throughout the world. Emerson then indulged in just a brief remark:

Aloof from contagion during the long progress of their decline, America hath ample interval to lay deep and solid foundations for the greatness of the New World.

Let the young American withdraw his eyes from all but his own country, and try, if he can, to find employment there \* \* \* In this age the despots of Europe are engaged in the common cause of tightening the bonds of monarchy about the thriving liberties and the laws of men; and the unprivileged orders, the bulk of human society, gasping for breath beneath their chains, and darting impatient glances toward the free institutions of other countries. To America, therefore, monarchs look with apprehension, and the people with hope.

Today what have you in Europe? What is there there? Monarchies? Worse. You have the absolutism in Italy, you have the peculiar sort of government in Germany; you have the strange crew now cheerfully engaged in executions in Russia. All along the line Europe has its separate affairs to solve. It has its kind of people—better than we, perhaps, but not like us. There they are governing in their own fashion. They have in the sacred name of peace their League and their Court. Let them have them; but do not make us become a part.

Think of the things that have passed in the long days gone by in the history of our country when it was young, and when it was weak. During that period is when here we gave birth to the Monroe Doctrine. You will realize, I have no doubt, the difficulties that confronted the small Government during that period, and why it was that we endeavored to keep ourselves free and keep ourselves clear of foreign entanglements. I never can forget the language of your Massachusetts man, Mr. Adams, during that period of time. Mr. Adams instructed Middleton, July 1820:

The political system of the United States is \* \* \* essentially extra-European. To stand in firm and cautious independence in all entanglements in the European system has been a cardinal point of their policy from the peace of 1783 to this day. \* \* \*

Yet in proportion as the importance of the United States as one of the members of the general society of civilized nations increases in the eyes of the others, the difficulties of maintaining this system and the temptations to depart from it increase and multiply. \* \* \*

And that is what troubles us. The temptations increase and multiply during these days with us to depart from that which has been our only safe anchorage during all the days of our existence.

Our intellectuals, you know—these pseudointellectuals who are so perfectly certain they are right, and who feel very assured of their mentality with the cherished views that they hold, who are impervious to any knowledge of anything that smacks of reality—they go about all over the land trying to muddle us in theories that are theirs, to have us change the Government under which we have lived so long. Mr. Adams, clear headed and American, said the possibilities:

Should renewed overtures on this subject be made—



Said Mr. Adams to Mr. Middleton—

Russia would be answered that the organization of our Government is such as not to admit of our acceding formally to that compact. But it may be added that the President, while approving of its final principles and thoroughly convinced of the benevolent and virtuous motives which led to the conception and presided at the formation of this system, by the Emperor Alexander, believes that the United States will more effectually contribute to the great and sublime objects for which it was concluded by abstaining from formal participation in it. As a general declaration of principles, the United States not only give their hearty assent to the articles of the Holy Alliance, but they will be among the most earnest and conscientious in observing them.

As a general principle I will give my hearty assent to the doctrines of the League of Nations and the World Court so long as they are practiced and so long as they are developed in Europe for European ills, but we are different from those people abroad—can you not understand that? We have not only national prejudices in this country of ours, but we have difficulties which arise within us from those who come from abroad. The other day we saw accounts of a number of American citizens going over to the Saar to vote. I resent the idea that American citizens should do that. But it illustrates better than any words of mine could how difficulties with us multiply, and are different from those difficulties that exist abroad.

Here we are supposed to have a melting pot. It has not melted as yet, and we are obliged to concede it. Here we have men and women from every clime on the face of the earth—men and women who perfectly naturally have their hot passions for the territory from which they come. You may take an oath and say you abjure it all, but it is in the very nature of man that he should love the spot in which he was born, and you cannot eradicate it from his mind or from his soul. And in this country, with these various elements, we have the troubles not that they have alone but we have the added troubles of having every one of these racial groups interested, passionately interested, in what goes on in the country from which they came. We are different from these people abroad. We are told every day, Oh, distance has been annihilated and means of communication are such that we are all brought closer together, and therefore we ought all to form one great world nation and one great world community. A distinguished gentleman in the State Department, Mr. Wallace McClure, has been issuing some releases of late. Senators may get them if they desire. I understand he is a most excellent gentleman and is the assistant to Mr. Sayre, who has been here among us. Mr. McClure has been releasing some speeches that he has made which are so grandiose in character that I sometimes fear he is afflicted with delusions of grandeur. It is said that all distance is annihilated and all communications bring us right together, and therefore it is time for us to go abroad.

God gave us two great oceans that put us here upon this hemisphere. Distance has been annihilated abroad, it is true. There is only the shadowy boundary line between France and Germany, but that shadowy boundary line, across which these two Nations are brought face to face constantly, in a generation—aye, in a century—cannot because of proximity remove and cannot obliterate the national passions that exist or remove the enmities of centuries.

We are different over here. Why go abroad? What reason is there that we should alter our system in the slightest degree and go abroad to enter a Court or a League of Nations or any other organization of any other kind or character there where political questions may be decided and political questions determined?

Mr. LONG. Mr. President, I wonder if the Senator has noticed the publicity given to the fact that England has balanced her budget and is preparing to reduce her taxes?

Mr. JOHNSON. Certainly.

Mr. LONG. While at the same time sending a note to America, that has not a balanced Budget, but one of increasing debt, that she is unable to pay the interest on her debt to us, that note coming along about the same time we are invited into this benevolent participation?

Mr. JOHNSON. Yes; it is a very interesting thing. I do not want to get into a discussion of the debts at the mo-

ment. I do not know whether or not Senators remember the arguments on the League of Nations. They were founded all upon a moral obligation that we had—a moral obligation. We were so great and so beneficent, so beautiful and so good that we had the moral obligation to lead all the rest of the world, and we were going to do it by virtue of going into the League of Nations and putting our resources and our men at the disposal of that particular aggregation. Today it is the same thing. A moral obligation rests upon us to go into this Court. Do you not realize, Mr. President, when they say to us now, to minimize what we are doing, that we will not need to do anything once we get in because we do not need to submit to a decision unless we want to and we do not need to have a decision acted upon at all unless we wish—do you not realize that once we get in we have gone in and the moral obligation will be preached to us day in and day out until we will be called a "welcher" if we do not do the job in the fashion in which the internationalists wish us to do it? Once we get in we are gone. That is all there is to it. So if there be any danger at all, out we should keep and out we should remain.

Mr. President, let us look, too, at another thing which is important in this case. If there were anything like a Republican Party in this body, I would address myself to it in that regard, but I address myself to everybody here in that respect. To the Root protocol is annexed practically the latter part of the fifth reservation which was adopted by the Senate. What it provides is that if the United States has or claims an interest over the objection of the United States a case cannot be heard. That is, in substance, what is provided; I do not quote it with accuracy but I quote the substance of it. Who is to determine whether or not a case shall be heard? Who is to decide it? The cry is rampant throughout the land today to destroy the Senate as a part of the treaty-making power. All the good people who want to take us abroad and who want to make us citizens of the world instead of citizens of this country, all of them in unison cry, "Take from the Senate of the United States its power in making treaties; strip it of the right and leave them naught to say respecting treaties." By this reservation the Senate is deprived practically of the right to say aught concerning what is a treaty. It is a delegation of power that is quite as dangerous as delegations against which there has been some outcry of late. A portion of the reservation that is attached to the Root formula therefore may be effective under certain conditions, or it may not be effective at all. Where do you suppose we will land if the State Department, with the international views of our present State Department—and I speak in terms of high commendation in some respects of the present Secretary of State—where do you think we will land if that Department has the determination of whether or not an objection shall be made to the hearing of a case by people abroad? Once we have advisory opinions relating to the United States of America, political as they are, and as we know they are, and as has been admitted today—once we have advisory opinions rendered in matters in which the United States is interested, the whole fabric that has been built up since we were a nation goes crumbling to the ground, and so it is that we ought not to take the initial step.

I read a little while ago the instructions of Adams to Middleton. By the way, Mr. Canning, who was running the affairs of England at the time, made some remarks about the Holy Alliance when finally he quit it. He said:

What was the influence which we had had in the counsels of the alliance? We protested at Laybach; we remonstrated at Verona. Our protest was treated as waste paper; our remonstrances mingled with the air.

If they get us over there at Geneva into the Court, our protests will be treated as so much waste paper and our remonstrances will be mingled with the air.

On November 19, 1823, during an interview with Addington, Mr. Adams, while suggesting the difficulties that Great Britain might find in breaking her former close relations with her allies, declared that the United States would decline to attend any conference on South America, unless the new republics were also invited to be present. No

Congress, he maintained, could give Europe a right "to stretch the arm of power across the Atlantic." In the strongest terms, he reflected upon the pretensions of the congressional system:

That was the Czar Alexander system under the Holy Alliance. Mr. Adams said:

The very atmosphere of such an assembly must be considered by this Government as infected—and unfit for their plenipotentiary to breathe in. The ground I wish to take—

Wrote Adams in his diary—

is that of earnest remonstrance against the interference of the European powers by force in South America, but to disclaim all interference on our part with Europe.

As the Holy Alliance has come to edify and instruct us with their principles—

He wrote in reference to Poletica's Mission of Exhortation—

it is due in candor to them and in justice to ourselves to return the compliment.

Oh, of course, that was a long time ago. The man who uttered those words long since passed away. Naturally his words and the words of those who were his contemporaries are regarded now by our internationalists not only with contempt but with some degree of contumely. We have been teaching some of our people that patriotism is a sin and that no man should speak his love of country and none should engage in any eulogium upon his Nation.

There is a grand old man who wrote the fifth reservation, John Bassett Moore, undoubtedly the most astute international lawyer who lives and the most learned. He has filled many roles, always with credit to himself and always with honor to his country. He it was, in conjunction with the late Senator Walsh and former Senator Swanson, who prepared the fifth reservation, but, you will remember, Mr. President, how the difficulties mounted and multiplied over that reservation in the days that followed. Just think for a moment and then see if you cannot doubt some of the intellectuals who believe now with such certainty that they can direct world affairs.

When the reservation was presented it was overwhelmingly adopted by this body. It went abroad, where it met with some objection in some particulars; and then the most astute lawyer that probably has existed in this generation was sent abroad by one of our Presidents in order to write a new fifth reservation and bring back something that was just as good but a little different, and he did it. He brought it back, and then all the intellectuals accepted the Root formula.

I was belabored, as every other man who was opposed to the Root formula was belabored all over this land, bludgeoned by the newspapers who believed in internationalism and wanted to take us abroad. Oh, it was claimed, the Root formula answered every question, every single, solitary objection; it had to be accepted in 15 seconds by the recalcitrant Senators; it ought to be adopted without a single solitary moment of hesitation. All over the land the cry went up, and those individuals who had not approved of Mr. Root's substitution for the work of the Senate of the United States were abused in a fashion that has seldom been met with. Yet what has happened? Finally we are justified in the opposition we made to the Root reservation, for today the proponents of the World Court annex to the Root formula the fifth reservation which the Senate had adopted and which the Root formula sought to destroy.

So I say to you, Mr. President, if we do with too much confidence in what our internationalists and our pseudointellectuals insist upon as the appropriate method of procedure, remember what has transpired in regard to this single reservation and look at least a little skeptically and a little doubtfully upon what they say.

Mr. President, I know what the situation is, and I know it full well. I am very glad that the Lord gave me the ability to stand upon my feet and to fight my fight, no matter what was in store. I am very glad that today, on an occasion such as

this, I can present my views, even inadequately and in sketchy fashion, as I have, concerning a matter in which I think my country is involved.

I wish I had the power and the eloquence—oh, I long for that which some men have been given in such profusion, I long for that facility of expression and that power which could arouse in the Members of the Senate the same thoughts that I have regarding our country and regarding its future. We are all alike in our designs, none of us would do aught that would injure our Republic; none of us desires to do that which in the days to come we may repent; the only question is, How can they see this thing; and the only appeal that I can make to Senators is to see it with your own eyes, to probe it with your minds and your own heads; decide it according to the God-given mentality you have, and decide it as you believe to be the right. If you believe in that right, stand up to it no matter what the consequences may be, for it is your country that calls to you today. This is no little matter with which we deal; this is no trivial policy upon which we are asked to act; this is the American policy which comes to us today. It is the American policy that means either that which we love in the future or that which we may fear in the future. We can be, and we ought to be, Americans. The only appeal that I make is, for the love of God, without fear, let us be just Americans!

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment of the Senator from Michigan [Mr. VANDENBERG] to the resolution of adherence.

Mr. ROBINSON. Mr. President, I am sure the Senate is not ready to proceed to vote now upon the questions involved in the proposed amendment. I suggest that the Executive Calendar be called. There is further debate upon the World Court which cannot be concluded today.

#### EXECUTIVE CALENDAR

The PRESIDING OFFICER. The first order of business on the Executive Calendar will be stated.

#### PUBLIC PRINTER

The legislative clerk read the nomination of August E. Giegengack, of New York, to be Public Printer.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McNARY. Mr. President, I think there should be a call of the Senate inasmuch as there has been a change in the program for the afternoon. Therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Russell
Austin	Costigan	Logan	Schall
Bachman	Couzens	Lonergan	Schwellenbach
Bailey	Cutting	Long	Sheppard
Bankhead	Davis	McCarran	Shipstead
Barkley	Dickinson	McGill	Smith
Bilbo	Dieterich	McNary	Steiger
Black	Donahay	Maloney	Thomas, Okla.
Bone	Duffy	Metcalfe	Thomas, Utah
Borah	Fletcher	Minton	Townsend
Brown	Gerry	Moore	Trammell
Bulkeley	Glass	Murphy	Truman
Bulow	Gore	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrd	Harrison	Norris	Wagner
Byrnes	Hastings	O'Mahoney	Walsh
Capper	Hatch	Pittman	Wheeler
Caraway	Hayden	Pope	White
Clark	Johnson	Radcliffe	
Connally	Keyes	Reynolds	
Coolidge	King	Robinson	

Mr. LEWIS. I have announced previously the absence of several Senators, giving the reasons. I repeat that announcement for the present roll call.

Mr. McNARY. I wish to announce that the Senator from North Dakota [Mr. Nye] is absent attending the funeral of his colleague's wife.

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present. The clerk will state the next order of business on the Executive Calendar.



## SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of Ferdinand Pecora, of New York, to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert E. Healy, of Vermont, to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James M. Landis, of Massachusetts, to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George C. Mathews, of Wisconsin, to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Joseph P. Kennedy, of New York, to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## FEDERAL HOME LOAN BANK BOARD

The legislative clerk read the name of Henry E. Hoagland, of Ohio, to be a member of the Federal Home Loan Bank Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## FEDERAL HOUSING ADMINISTRATION

The legislative clerk read the nomination of James A. Moffett, of New York, to be Administrator of the Federal Housing Administration for a term of 4 years from June 30, 1934.

Mr. NEELY. Mr. President, I ask that the nomination go over for the day.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and the nomination will be passed over.

## POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HAYDEN. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

That completes the Executive Calendar.

## LEGISLATIVE SESSION

Mr. ROBINSON. I ask that the Senate resume legislative session.

The Senate resumed legislative session.

## ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 25 minutes p. m.) the Senate adjourned until tomorrow, Thursday, January 17, 1935, at 12 o'clock meridian.

## WITHDRAWALS

*Executive nominations withdrawn from the Senate January 16, 1935*

## PROMOTIONS IN THE REGULAR ARMY

## TO BE COLONEL

Lt. Col. Odiorne Hawks Sampson, Quartermaster Corps, from October 1, 1934.

## TO BE MAJOR

Capt. Lessley Eugene Spencer, Coast Artillery Corps, from October 1, 1934.

## TO BE FIRST LIEUTENANTS

Second Lt. Carl Frederick Theisen, Air Corps, from October 1, 1934.

Second Lt. Charles Harold Earnest, Air Corps, from October 1, 1934, subject to examination required by law.

Second Lt. James Lee Majors, Air Corps, from October 1, 1934.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate Wednesday, January 16, 1935*

## PUBLIC PRINTER

August E. Giegengack to be Public Printer.

## MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION

Ferdinand Pecora to be a member of the Securities and Exchange Commission.

Robert E. Healy to be a member of the Securities and Exchange Commission.

James M. Landis to be a member of the Securities and Exchange Commission.

George C. Mathews to be a member of the Securities and Exchange Commission.

Joseph P. Kennedy to be a member of the Securities and Exchange Commission.

## MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

Henry E. Hoagland to be a member of the Federal Home Loan Bank Board.

## POSTMASTERS

## ARIZONA

Jessie I. Cooper, Chandler.  
Woodie A. Gatlin, Patagonia.  
J. Albert Brown, St. Johns.  
Sparlin B. Boner, Seligman.  
Neal H. Phelps, Springerville.  
Harold B. Collins, Tucson.  
Joseph M. Balsz, Yuma.

## IDAHO

Robert R. Walker, Avery.  
Pearl Kennedy, Burke.  
Charles E. Bales, Caldwell.  
Arthur T. Combs, Kellogg.  
Lee Highley, New Meadows.  
William H. Goldsmith, New Plymouth.  
Jessie L. Kelly, Winchester.

## ILLINOIS

Arthur S. Austin, Altona.  
Fred Rohr, Ashkum.  
James R. Freddy, Atkinson.  
Ruth L. Patterson, Bement.  
John C. Kepner, Blue Mound.  
Michael Colgrass, Brookfield.  
John R. Markley, Bushnell.  
Leslie W. Hunt, Cambridge.  
Elmer E. Dallas, Cerro Gordo.  
William M. Donovan, Clifton.  
Thomas W. Cramer, Clinton.  
Claude H. Rendleman, Cobden.  
Claude Shaffner, Dallas City.  
Louis J. Albrecht, Dolton.  
George A. Wall, Elizabethtown.  
Kile E. Rowand, Fairmount.  
John H. Mauzey, Findlay.  
Mervin F. Hinton, Fisher.  
Lowell R. Murray, Herrick.  
John Petry, Hoopeston.  
George E. Roe, Industry.  
George J. Pfaff, Itasca.  
Fred D. Hatter, Millstadt.  
John F. Hartsfield, Monticello.  
Leslie J. Smith, Mount Auburn.  
Henry R. Richardson, Moweaqua.  
Arthur L. Reinheimer, New Athens.

John R. Goodson, Newman.  
Amiel J. Toelle, Orland Park.  
William D. Steward, Plano.  
Hallie Weir, Pleasant Hill.  
Glenn G. Watson, Roseville.  
Floyd E. Denhart, St. Joseph.  
Burleigh A. Murray, Sesser.  
William J. Woodard, Sidney.  
Paul H. Rauhoff, Tinley Park.  
William Connell, Tremont.  
Robert K. Collinson, Victoria.  
Joseph P. Daly, Waukegan.  
Arthur E. Swan, Waynesville.  
E. Donovan Stover, Western Springs.  
Fred C. Shetler, Woodhull.

## MICHIGAN

Roy Winegarden, Boyne City.  
Jettena Watson, Wolverine.

## NEW HAMPSHIRE

Martin A. Lynch, Alton Bay.  
Edith L. Stillings, Bartlett.  
Edwin L. Batchelder, Hampton.  
Berl E. Tilton, New Hampton.  
William T. Whenal, North Hampton.  
Gordon A. Russell, North Weare.  
Harold A. Aher, West Lebanon.

## NEW YORK

Daniel A. Driscoll, Buffalo.  
Albert Goldman, New York.

## NORTH CAROLINA

Laucy E. Johnson, Angier.  
Jesse T. Morgan, Benson.  
Howard A. Kerlee, Black Mountain.  
Wade C. Hill, Canton.  
Pat D. Gray, Cary.  
Estelle I. Baldwin, Chadbourn.  
Robert A. Eubanks, Chapel Hill.  
John W. Mosteller, Cherryville.  
Lemuel A. Smith, Clarkton.  
Paul A. Williams, Clayton.  
R. Andrew Love, Jr., Cliffside.  
Lillington Hendrix, Cooleemee.  
Matt A. Elmore, Dover.  
John K. Clark, Elizabethtown.  
Russell A. Crowell, Enka.  
Alexander E. Waller, Fair Bluff.  
Willie B. Jennings, Fairmont.  
Marvin T. George, Four Oaks.  
Thomas W. Porter, Franklin.  
Victor O. Tilley, Fuquay Springs.  
Alger R. Henderson, Graham.  
Irene I. Morphew, Jefferson.  
James C. Wright, Landis.  
James T. Martin, Liberty.  
Merrimon D. Lanier, Lillington.  
B. Franklin McMillan, Jr., Lumberton.  
Charles R. Evans, Mantee.  
Euna B. McBride, Marshville.  
Clarkie Belle Williams, Maxton.  
Gillam Craig, Monroe.  
John M. Kennette, Mooresville.  
Clarence A. Pennington, Oteen.  
Sallie F. Matthews, Randleman.  
Robert N. Stansill, Rockingham.  
William J. Butler, St. Pauls.  
Ernest B. Satterwhite, Sanatorium.  
P. Frank Bushan, Southern Pines.  
Ally N. Fuller, Spruce Pine.  
Bonnie B. Shingleton, Stantonsburg.  
Charles M. Price, Sylva.  
John A. Davis, Waxhaw.  
Milton J. Sexton, Zebulon.

## TENNESSEE

Mattie B. Goodner, Alexandria.  
Joe C. Hamlett, Ardmore.  
Lily D. Seay, Bethpage.  
Henry S. Dupree, Brownsville.  
Timmie M. Bryant, Charleston.  
James R. King, Clarksville.  
Bert Poe, Daisy.  
Albert D. Ward, Decatur.  
Ethelbert J. Shannon, Halls.  
Henry C. Johnson, Lafayette.  
Robert L. Wagstaff, Lynnville.  
John W. Fuqua, McEwen.  
James H. Smith, Martin.  
James J. Darnell, Morrison.  
Isaac S. Davidson, Petersburg.  
E. French Fugate, Rutledge.  
Flossie Gardner, Tellico Plains.  
Nell I. Griffith, Vonore.  
John L. Vann, Watertown.  
Morris L. Collier, Waynesboro.  
Gaston H. Rhodes, Whiteville.

## WASHINGTON

Andrew F. Farris, Cashmere.  
Alfred K. Filson, Centralia.  
Hubert S. Storms, Chewelah.  
Harold W. Kreidel, Cle Elum.  
Harry E. Robbins, Coulee Dam.  
Elizabeth S. Garland, Endicott.  
Morgan J. McNair, Farmington.  
Fred E. Olmstead, Grandview.  
Emmett A. Phillips, Harrington.  
Oscar E. Foster, Hoquiam.  
Frank H. Lincoln, Kennewick.  
George A. Hauber, Leavenworth.  
Charles E. Schutz, Lind.  
Harry C. Smyth, Mabton.  
Charles J. Fredricks, Moxee City.  
Moses S. Brinkerhoff, Okanogan.  
Emugene W. Jones, Poulsbo.  
John C. Cody, Republic.  
Cecilia Allen, Zillah.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 16, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we praise Thee that Thou art a Being clothed with infinite power, succoring the weak, the ignorant, and the sinful. Blessed Lord, Thou art the inspiration that lifts man from forbidding conditions and makes him superior to circumstances which deteriorate character. Heavenly Father, do Thou restrain and shape our desires and fit us for the image of true and divine manhood. May our heart throbs be true to Thee and our fellow men. Preserve our Speaker and the Members of this Congress in the freshness of joy and hope and in the promise of life. Inspire every cherished impulse, every true feeling, every right ideal, and every high conception. In the name of our Lord and Master. Amen.

The Journal of the proceedings of Monday, January 14, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed the following resolution:

## Senate Resolution 54

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. ANTHONY J. GRIFFIN, late a Representative from the State of New York.



*Resolved*, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

The message also announced that in compliance with the foregoing resolution the Vice President had appointed as said committee Mr. COPELAND and Mr. WAGNER.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 4. Concurrent resolution providing for the acceptance by the United States of the statutes of Caesar Rodney and John M. Clayton, and extending the thanks of Congress to the State of Delaware for the contribution of such statutes.

#### MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

#### SWEARING IN OF MEMBER

Mrs. GREENWAY appeared at the bar of the House and took the oath of office.

#### CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order today, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### FAILURE OF THE RECOVERY PROGRAM

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a speech, somewhat political, that I made over the radio last evening.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me on January 15 over the National Broadcasting System:

Nothing could more accurately define the situation today than the old Latin proverb, "Lack of confidence is not the result of difficulties; difficulties come from lack of confidence."

There can be no denial of the fact that we are finishing the second year of the Roosevelt administration facing serious economic difficulties. Nor can there be any denial of the equally obvious fact that these difficulties have constantly become more serious during the past 18 months.

Eleven and one-half million industrial wage earners are in the ranks of the unemployed—one-half million more than a year ago.

The true and final test of recovery is the number of men put back to work. Judged by this test, the experiments of the present administration are condemned.

Approximately 19,000,000 individuals are dependent in whole or in part upon public relief, an increase of 5,000,000 over a year ago. The cost of relief borne by the Federal Government has been constantly increasing. A year ago, according to the latest report of the Federal Relief Administration, it was expending \$70,000,000 a month for public relief. This has increased to \$170,000,000—more than double.

In addition, during the last 6 months we have expended \$200,000,000 on the C. C. C. camps, an increase of \$47,000,000 over last year. The Department of Agriculture has expended, strictly for relief purposes wholly apart from its agricultural adjustment benefits, \$70,000,000.

This increase in unemployment and the number dependent upon public relief has taken place in face of the fact that during the last 18 months this administration has expended \$11,000,000,000 on its so-called "recovery program." In making this lavish expenditure, it has been expending \$2.15 for every \$1 it collected, has run our Government \$6,000,000,000 "in the hole", and increased our interest-bearing public debt by \$7,000,000,000, until today it is higher than it was at the close of the World War.

In addition to having unlimited funds at its disposal, the administration has had equally unlimited power, by reason of the last Congress making the office of the Chief Executive a dictatorship, under the plea of emergency, and at the request of the President.

The failure of the so-called "recovery program" cannot, therefore, be charged to lack of money or lack of authority. It has

failed because it ran counter to every economic law, to every tradition of the American people, to common sense and human nature.

The administration has preached recovery but practiced destruction. It urged private industry to go ahead and take up the slack of unemployment. It then made such revival impossible, first by putting the Federal Government in competition with private industry, and, second, by taking from private industry all voice in the management of its affairs through various instruments of Federal regimentation.

It deliberately, and without cause, abandoned the gold standard, debased our currency, and started tinkering with our monetary system, making it impossible to tell what the value of the dollar will be next month or in 6 months.

It has persisted in a program of wild expenditures, uncontrolled and nonaudited, until, according to President Roosevelt's own definition prior to election, the credit of our Nation is threatened and economic recovery made impossible.

By reason of these expenditures, plus its flirtation with fiat-money advocates in order to gain votes, the administration has pushed the Government to the very door of wild inflation—which would wreck our entire economic structure and render all investments valueless.

Under such circumstances, prudent men do not make long-time investments or plan new expenditures. Industry dares not expand. It dares not tie up too much money in raw material. Business dares not carry large inventories. It must live from hand to mouth. Capital goes into hiding. Those with savings must husband their every resource. In other words, our entire economic system has been paralyzed by the experimental policies of the new deal.

The thing which more vitally concerns business and industry today is the refusal of the Roosevelt administration to profit by its mistakes—indeed, its refusal to admit it has made mistakes or that its 2-year experimental program is a near failure.

Another shock to business is that the administration has even abandoned the hope it entertained a year ago of eventually balancing our Budget. Apparently it has also abandoned any real desire to do so, for it possesses both the power and the machinery to accomplish that purpose if it so willed.

Yet, in the face of this record, the administration is asking Congress for the additional colossal sum of \$4,000,000,000 purely for further experiments, without any known, definite plan, insofar as the public or Congress is aware, for its expenditure.

The administration is asking that the President be permitted this sum of money without any restrictions being imposed upon the purposes or methods of its expenditure. Such a request is contrary not only to all precedents, regardless of whether the Republicans or Democrats control Congress, but it is contrary to the entire theory of our Government, which places the control of the raising and expenditure of public funds in the hands of the legislative branch of the Government.

Before Congress appropriates any such sum, it should be furnished a fairly definite program as to the objects upon which the money is to be spent. Surely the administration must have such a program to have arrived at that sum. Certainly the Congress and the people are entitled to be informed of that program.

If, on the other hand, the administration has no definite plans for the expenditure of an additional \$4,000,000,000 for so-called "emergency purposes" after nearly 2 years of planning, then it should not be granted such a sum of money.

The logical conclusion is that notwithstanding the President's statement at the opening of Congress of his desire to cooperate with the Congress, he is not willing to cooperate. He is not willing to trust the members of his own party, for they are in absolute control of both branches of Congress. And by this same action he indicates he is not willing to trust the taxpayers with advance information as to how he intends to expend another \$4,000,000,000 of their money.

Is this money to be expended this year or next? Is it to be expended putting the Government still further in competitive private business? If so, in what lines is the Government going to compete? Does anyone believe this threat held over American business is going to put any more men back on private pay rolls? I for one certainly do not think so. We should also remember that next year there is a Presidential campaign and election, and there is always the possibility that the expenditure of immense Federal funds in close congressional districts and States might easily play an even more important part in the decision of that election than it played in the decision in the congressional elections of last November.

The administration still refuses to attempt to stabilize the value of the American dollar.

It announces its purpose of making permanent the multitude of alphabetical bureaus, brought into being by Executive order and which have existed only to harass private enterprise.

It persists in its policy of using public works as a political weapon to reward its friends and punish its enemies, as witness the recent refusal of the Public Works Administrator, Mr. Ickes, to allocate funds to a \$43,000,000 project for New York City until and unless Robert Moses, recently Republican candidate for Governor of New York, resigns from his position in the New York City administration. This demand has been made in order to satisfy a personal and political grudge upon the part of the Roosevelt administration.

The administration announces its determination to continue its policy of negotiating in secret tariff agreements with other countries, a policy which leaves every industry in this country in doubt



as to whether or not it will be compelled to share its already meager domestic market with cutthroat foreign competition.

All these things breed fear instead of confidence, tear down instead of build up, increase the confusion and uncertainty that exist on every hand, and render economic recovery absolutely impossible.

In closing I want to state, with all the emphasis possible, the first and most important step in our recovery program is the return to confidence of the people in the Federal Government. That can be best obtained by a definite statement upon the part of the administration declaring: First, it will immediately stabilize our currency at home and abroad; second, it will withdraw from the competitive field of honestly conducted private business and industry; and, third, it will reduce its bureaucratic expenditures and insist upon an honestly balanced budget.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter received by me from the Ohio Chamber of Commerce, urging me to vote against the immediate cash payment of the soldiers' bonus, together with my reply, and, possibly, a few additional remarks.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I here insert the letter mentioned from the Ohio Chamber of Commerce:

OHIO CHAMBER OF COMMERCE,  
Columbus, Ohio, January 14, 1935.

HON. WILLIAM A. ASHBROOK,  
House Office Building, Washington, D. C.

MY DEAR MR. ASHBROOK: I am justified by official action taken by the Ohio Chamber of Commerce to urge that you should vote against the proposed payment of the soldiers' bonus at this time. In fact, there are very good reasons why this bonus should not be paid until its normal maturity date.

Payment at this time means payment of \$1,400,000,000 more than the present value of the certificates, and, of course, to that extent, is that much more added burden on the taxpayers and the people of the Nation.

A leaflet recently issued by the Chamber of Commerce of the United States, entitled "Service Men's Bonus", sets forth the issue quite clearly. As stated above, the official position of the Ohio Chamber of Commerce justifies me in transmitting this leaflet to you. You will find it enclosed.

Trusting our declarations may have your careful consideration when this matter is up for vote, I am,

Very truly yours,

GEORGE B. CHANDLER, Secretary.

And here, Mr. Speaker, is my reply to the above letter, which plainly states what I expect to do when the question of the immediate cash payment of the soldiers' bonus comes before this body:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., January 15, 1935.

Mr. GEORGE B. CHANDLER,  
Secretary Ohio Chamber of Commerce,  
Huntington Bank Building, Columbus, Ohio.

DEAR MR. CHANDLER: Your letter of the 14th advising me that the Chamber of Commerce of Ohio, by official action, urges me to vote against the present payment of the soldiers' bonus because the present payment would mean \$1,400,000,000 more than the present value of the certificates and would add that much more burden to the taxpayers. Your figures may be correct but mean nothing to me, and I say this as a more than average taxpayer.

I wonder how many members of the chamber of commerce saw real service in the World War. Certainly not many. I am so much opposed to war I am almost, but not quite, a pacifist. I was a Member of Congress during the World War period and voted for a declaration of war, much against my convictions, a thing I will never do again if it means political exile for me. Nothing short of an invasion of our shores by a foreign enemy would again prompt me to vote for a declaration of war. But war was declared—those who suffered should be reimbursed as far as it is possible and those who benefited should foot the bill. But that is not the question at hand.

Everyone of mature years who did not enter the World War remained at home and received high wages. I remember paying 15-year-old boys \$3 per day for common labor, and ordinary mechanics from \$1 to \$1.50 per hour during the war. Those who slept on their own feather beds, enjoyed mother's home cooking, and the comforts of the family fireside, far from bullets and deadly gas, had the opportunity at least, free from danger and amid happy and comfortable environment, to make much more than was paid the World War soldiers, including the so-called "bonus." The stay-at-homes—I am not criticizing them—reaped the benefits, if there is such a thing as a benefit resulting from war, while the boys who were sent to training camps and overseas received \$1 and \$1.25 per day plus the bonus, which many now begrudge. The boys who remained at home were in as good physical condition when the war was over as they were when war was declared.

Many thousands of the boys who entered the service met untimely death, their young lives were blotted out, not to make the world safe for democracy but to pay higher dividends to munitions makers and selfish greed. I had a nephew, a bright, young college student, who now sleeps in France. Many more thousands returned to their homes maimed and diseased for life. Very few who saw war service are today in as fit condition as when the strong arm of the Government was placed upon their shoulders and they were bid to leave home, mother and friends, abandon pursuing their chosen life pursuits, then in the forming, and take up arms in the defense of their country.

And yet you, through the Ohio Chamber of Commerce, ask me to vote against the immediate payment of the bonus. With high regard for the purposes and usefulness of your organization, I wish to plainly, yet respectfully, advise you that, entertaining the feeling that I do for the soldier boys, I would consider myself a very poor American citizen to vote against the immediate payment of the bonus.

I not only expect to vote for its immediate payment, but to vote to pass it over the President's veto, if it should be vetoed. I yield to none in my admiration of our great President, but on this question I am not in accord. I so declared myself before the primary election and before the general election and will not betray my constituents by voting as indicated.

I served in Congress for 14 years and during that service was dubbed "Pension Bill" because of my activity on behalf of the soldiers and their dependents. I was involuntarily permitted to remain at home for 14 years and then returned for what may be a brief stay, but a leopard was never known to change his coat, and so long as I am here there will be no doubt about how and where I stand when the rights of those who risked their lives that the rich might grow richer, for a time, is concerned.

Frankly, and briefly, I am strong for the soldiers' bonus and against the Economy Act so far as it has deprived thousands of soldiers and their dependents of the admitted debt due them.

Trusting that I have made my position on this very important question clear, I am with high esteem,

Very respectfully,

WILLIAM A. ASHBROOK.

#### QUESTION OF PERSONAL PRIVILEGE

Mr. CELLER. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. CELLER. Mr. Speaker, I appeared in the House restaurant yesterday and endeavored to get a glass of wine, and I was denied this privilege.

I want to call the attention of the House to the fact that we who fought against prohibition for a great many years feel a great deal of chagrin when we go down to the House restaurant and are thus proscribed. Practically the whole country, and soon the whole country, will be able to get all the refreshment of this kind it desires, and yet we, the Members of the House, cannot be trusted—shall I put it that way—we cannot be trusted for fear there may be some intemperance developed among some of our Members. I call the attention of the House and, particularly, the attention of the members of the Committee on Accounts to the fact that this situation should be remedied, and the Members of the House should have the right to go into the House restaurant and imbibe temperately. It is ridiculous to object to the use of liquor refreshments in one restaurant for fear of intemperance among our Members. That is an unwarranted asperision upon all of us. I resent it.

We can procure beer and ale; why not wine?

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Texas.

Mr. BLANTON. If the gentleman from New York claims the right to have his glass of wine in the House restaurant, surely I would be entitled to the right to have a glass of straight Scotch whisky if I wanted it.

Mr. CELLER. Why not?

Mr. BLANTON. Then the gentleman would seek to turn the Capitol of the United States into a common barroom.

Mr. CELLER. Oh, the gentleman knows that is not so. The gentleman can be trusted to act decently and honorably.

Mr. BLANTON. Mr. Speaker, I raise the point of order that the gentleman has not stated a question of privilege, either of the House or of an individual Member.

Mr. CELLER. I submit that I have.

Mr. BLANTON. We have done without barrooms in this Capitol for many years; and never again are we going to open any more barrooms in this Capitol.

Mr. CELLER. It seems rather anomalous with the demise of prohibition, resulting in the opening up of restaurants



in the District where wines and liquors may be served, that the dining room of the Members must function without the use of wine. You permit beer, which has upward of 4 percent by volume of alcohol, and ale, which has upward of 6 percent by volume of alcohol. There seems to be no good reason in my mind why wine should not be permitted, particularly dry wines like clarets, sauternes, chablis, and the various Rhine-wine types whose alcoholic percentages vary from 9 to 13 percent by volume. These are usually table wines, and the grapes from which they are crushed grow in California primarily. Other States, however, supply very fine wines of this character, notably New York, Ohio, Missouri, New Jersey, and Delaware. Then there is the very palatable wine made from the scuppernong grape, which grows in many Southern States.

If stronger wines are wanted, you could arrange for the serving of fortified wines, like port, sherry, muscatel, angelica, and madeira. These wines are usually California wines, although some of them are grown in New York, New Jersey, and Ohio. Fortified wines have an alcoholic percentage upward of 22 percent.

Mr. BLANTON. Mr. Speaker, I make the point of order the gentleman has not stated a question of privilege.

The SPEAKER. The Chair is ready to rule.

Rule IX of the House provides as follows:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members, individually, in their representative capacity only.

The Chair fails to see where the gentleman has raised a question of personal privilege under the rule, and therefore sustains the point of order.

#### OLD-AGE PENSIONS

Mr. HOEPEL. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPEL. Mr. Speaker, my distinguished colleague from California, Mr. JOHN STEVEN MCGROARTY, introduced a moment ago the much-heralded Townsend old-age revolving pension plan.

This plan has been ridiculed and criticized by the press and by various individuals, and I am now giving formal notice that next week I am going to ask for ample time to explain the Townsend plan to the Members of the Congress. I believe I shall be in position to advance a mode of procedure whereby this old-age pension can be paid to the aged citizens of our Nation with not more than a 2-percent sales tax.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPEL. Briefly.

Mr. BLANTON. If all of the 435 Members of this House would join the Ways and Means Committee and spend 6 months devising every means of taxation known to tax experts, we could not raise enough money to pay \$200 a month to over 8,000,000 people over 60 years of age. This proposed \$24,000,000,000 per year pension plan to civilians is so ridiculously absurd that I am surprised that the gentleman from California would espouse it.

Mr. HOEPEL. I hope my friend the distinguished gentleman from Texas will assist me so that I may obtain ample time to expound my ideas. It is my belief that if he will listen to my argument, he will not consider as absurd the plan which I outline. We heard a question of personal privilege propounded here a moment ago by a Member who protested the refusal of the House restaurant to serve him wine with his meals. In my opinion, it behooves us as Members of the Congress to think of the millions and millions of aged citizens of our country to whom we should extend the wine of hope and adequate and proper old-age pensions, and if the House will give me time next week I feel confident that I can present this question in an understandable and practical manner.

Mr. BLANTON. I am in favor of a reasonable, sane, old-age pension. But the so-called "Townsend plan" of paying \$24,000,000,000 per year is utterly absurd, for neither this

Government nor any other could ever raise that sum of money.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. HOEPEL. Yes.

Mr. TRUAX. I assume the gentleman is in favor of the Townsend bill, and I would ask the gentleman if he would not rather favor a tax on wealth than a sales tax to finance any old-age pension bill?

Mr. HOEPEL. If the gentleman will help me to get sufficient time, I am confident that I can answer his question satisfactorily.

Mr. TRUAX. I will not object to the gentleman's request.

#### THE BLACK-MCKELLAR ACT

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on section 15 of what is known as the "Black-McKellar Law", relating to the Postal Air Mail Service.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, for the purpose of effecting economies in the Federal Government, the Seventy-third Congress enacted the Black-McKellar bill revising the air-mail laws. Among other provisions of this act, and with a view to creating competitive bidding that would bring about reduced air-mail rates, was included section 15 of the bill making it unlawful for air mail contractors, competing on parallel routes, to merge or to enter into any agreement, expressed or implied, which may result in common control or ownership. Designed to prevent monopolistic abuse, the worthy objective of this provision cannot be honestly questioned, but under the stress of the closing weeks of that Congress we failed to exercise proper and rational foresight with regard to the consequences which would follow from this specific provision of the bill. Despite its intended benefits, the application of this law will exercise a decided hardship upon certain sections of our country and particularly the entire Pacific coast.

Section 15 of the Black-McKellar Act will handicap the constructive advance in air transportation America has been proud to maintain as the world's leader, and particularly will it cripple this advance along the Pacific coast. The interpretation placed upon this section of the act compels any transcontinental air line to divest itself of any connection with the Pacific Coast Air Line which operates between Seattle, Wash., and San Diego, Calif. As a matter of fact, however, the Pacific Coast Air Line is in no sense competitive with transcontinental air service. It so happens that it is owned and controlled by a company operating transcontinental air services as a feeder to this service, and it functions as a necessary public carrier for the people of that section of our country.

Always progressive, and marked from the very beginning as a people of pioneering spirit, the people of the Pacific coast have been air conscious for a long number of years. The necessity for efficient, prompt communication and transportation up and down the Pacific coast has grown with the years. Many of our cities have expended large sums in the development and upkeep of modern airports. The city of San Francisco has spent millions of dollars in the building and maintenance of one of the most efficient and successful airports in the world. The need for it is best illustrated by the fact that in recent years, and during the present depression, its use has been so great as to make it self-sustaining. Other communities up and down that 1,200 miles of coastline have also spent additional millions to bring this valuable service to them. What is true of the Pacific coast is undoubtedly also true of other sections of the United States comprising large groups of our population.

It is surely inconsistent with good public policy for the Congress of the United States to permit this section of the act to become effective and thus materially handicap, if not completely destroy this service. The value of efficient airports, particularly along our coastlines, as strategic points for military defense of the country cannot be overestimated. Every endeavor should be put forth by the Congress to



encourage their development. In no sense should obstructions be placed in their way.

The act does not contemplate to repel the marked advance of air transportation in the United States, but its application does. In order that this great injustice may not be done to large groups of our people, I urge upon the Congress the necessity for immediate remedial legislation to overcome the obstacle created by this section 15, of the Black-McKellar Act, to the continued and consistent development of aviation in every section of our Nation.

#### ADDITIONAL CLERICAL SERVICE FOR MEMBERS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker and Members of the House, I have today introduced a resolution to provide for additional clerical service for Members of the House during the present session of Congress.

Due to the extreme burden of clerical work placed upon the Members through veterans' cases and various other matters that come to us I believe we require the same proportion of clerical service that is accorded to the other branch of Congress. To meet this I am introducing a resolution providing for additional clerical service to Members of the House during the present session.

Mr. DIES. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. DIES. Is it not a fact that in another body they are providing for another assistant to their secretarial force?

Mr. WHITE. I am not informed as to that.

Mr. DIES. It is a fact.

Mr. TABER. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. TABER. Is the proposed additional clerical service to take care of the distribution of patronage that is coming to Members?

Mr. WHITE. It is not; it is to take care of the veterans' cases and the additional work placed upon Members of the House due to many increased activities of the National Government.

Mr. SHORT. Will the gentleman yield?

Mr. WHITE. Yes.

Mr. SHORT. Did not the gentleman's party in their platform promise the electorate that they stood for economy in government, and does he not think it is time to abolish the bureaus and cut down expenses?

Mr. WHITE. This is economy for the Government, because it is to enable the Members to conduct their business in a normal and expeditious manner. The Members of the House who have been here for some time are well aware of the fact that the work incident to the conduct of a congressional office has increased tenfold. Due to the great expansion of the National Government's activities, we must deal with all branches of the Departments in representing the people of our district. The people are taking an interest in their Government as never before, with the result that we are being flooded with thousands of letters and inquiries; and, unless we are provided with additional help, it will be impossible for us to give our constituents the service they deserve and have a right to demand.

#### HISTORY OF THE TARIFF IN THE UNITED STATES

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by my colleague, Mr. TREADWAY, delivered to the Wesleyan University on the history of tariff legislation in this country.

The SPEAKER. Is there objection?

There was no objection.

Mr. HANCOCK of New York. Mr. Speaker, under leave to extend my remarks in the RECORD I am inserting an address delivered by my colleague from Massachusetts, Hon. ALLEN T. TREADWAY, to the students of government in Wesleyan University at Middletown, Conn., on the history of tariff legislation in this country.

#### HISTORY OF THE TARIFF IN THE UNITED STATES

In addition to being a fruitful source of revenue, the tariff is one of the principal means of regulating the industrial and commercial life of a nation in relation to that of other countries. Thus, while financial exigencies generally are an important consideration in the imposition of customs duties, economic and social factors also exercise a major contributing influence. This has been the experience of our own country from colonial times to the present.

#### COLONIAL TARIFFS

The colonial tariffs were chiefly for revenue, but at the same time a number of protective laws were enacted. In those days, while there were no manufacturing industries to protect, each colony encouraged its own agriculture, either by prohibiting the importation of commodities from other colonies, or by imposing tariff duties. Thus, Massachusetts in 1652 excluded all imports of malt, wheat, barley, biscuit, beef, meal, and flour. Virginia, on the other hand, prohibited the importation of tobacco, especially from North Carolina, and Maryland discriminated against liquors from Pennsylvania.

With the outbreak of the Revolution, each independent State prohibited all commercial intercourse with Great Britain, and that with all other countries was virtually cut off by the hostilities. Foreign trade being at a standstill, the people were compelled to provide for their own wants from the resources at hand. The Revolution, therefore, had a profound effect upon the early economic development of the country. Manufactures, which by British mandate had been prohibited in the Colonies, were stimulated behind an absolute wall of protection, and the foundations were thus laid for many of the industries which subsequently were fostered under protective tariffs.

#### TARIFFS UNDER THE ARTICLES OF CONFEDERATION

At the close of the Revolution, the newly formed United States of America began its existence under the Articles of Confederation; and although the States bound themselves to perpetual union, they did not yield their independence but reserved to themselves so many important functions that the General Government was weak and ineffectual. Among the powers reserved was that of levying customs duties. As a result, each State could frame a tariff to suit itself and make the duties apply not only to foreign merchandise but to that from other States of the Confederation as well.

The debts incurred during the war and the difficulty of collecting taxes caused most of the States gradually to reimpose their tariff duties. At first, the rates were low and applied mostly to luxuries and articles thought to be harmful.

In the South, tariffs were used chiefly as a source of revenue, but the Northern States gradually advanced and extended their levies until their tariff schedules were quite comprehensive, embracing protective as well as revenue duties. In this connection, it is interesting to note some of the preambles to the early statutes. For example, the New Hampshire law of March 4, 1786, begins as follows:

"That the laying duties on articles, the produce or manufacture of foreign countries, will not only produce a considerable revenue to the State, but will tend to encourage the manufacture of many articles within the same."

Similarly, a Rhode Island statute of 1785 is entitled:

"An act for laying additional duties on certain enumerated articles for encouraging the manufacture of them within this State, and the United States of America."

A Massachusetts statute of 1786 prohibiting the importation of some 58 articles of common use apparently had protection as its sole object, because no revenue could be derived thereunder. It began with the following preamble:

"And whereas it is the duty of every people, blessed with a fruitful soil, and a redundancy of raw materials, to give all due encouragement to the agriculture and manufactures of their own country."

The National Government, being precluded from imposing customs duties, was forced to seek its revenue by requisitions upon the States, which for the most part went unheeded. Congress twice sought from the States the authority to levy a general revenue duty of 5 percent, applying to all imports, but each time a single State prevented the plan from going into operation.

Congress was then led to consider the question of vesting the General Government with greater power over the States, and in 1787 passed a resolution recommending a Constitutional Convention for the purpose of revising the Articles of Confederation. Under the new Constitution subsequently adopted, the States were specifically prohibited from levying customs duties, either upon foreign merchandise or that from the other States. Instead, the Federal Government was given the exclusive power to impose duties on imports, thus assuring it an independent source of revenue. As a consequence of the mandatory free exchange of goods between the States, the establishment of a great home market was made possible.

#### TARIFFS UNDER THE CONSTITUTION: THE ACT OF 1789

Congress was not long in making use of this new power. Very soon after its first meeting, in April 1789, James Madison offered a resolution calling for the adoption of a general revenue tariff. As a counterproposal, Mr. Fitzsimons, of Pennsylvania, who was the first Chairman of the Ways and Means Committee, moved that Congress enact a tariff measure along the lines of the Pennsylvania law, which not only would furnish the needed revenue but at the same time give encouragement to domestic industries.



With these two proposals before it, Congress adopted the Fitzsimons plan. The House of Representatives then proceeded in Committee of the Whole to consider the details of the measure, with Members from each State championing duties on the products of their respective sections.

The debate on the bill disclosed the antagonistic interests of the North and South with regard to protection. The Southern States sought an unrestricted commerce that would promote a market for their agricultural products and permit the purchase abroad of manufactured products, for the production of which conditions in the South were not favorable.

The resulting Tariff Act of 1789 was the first general legislation enacted by Congress under the Constitution. It began with the following preamble:

"Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufacturers that duties be paid on goods, wares, and merchandise imported."

The act imposed specific duties on more than 30 kinds of commodities, and laid ad valorem duties on certain others ranging from 7½ to 15 percent. A duty of 5 percent was imposed on all articles not specifically enumerated.

#### TARIFFS FROM 1789 TO 1812

Between 1789 and the War of 1812, 13 tariff measures were enacted for both revenue and protective purposes, with the trend of the rates steadily upward. Only a year after the first tariff act was passed, it was superseded by another law increasing some of the old duties and imposing certain new ones. In May 1792 another general tariff revision occurred, in which increases were made in many of the rates.

Two years later the existing ad valorem duties on certain articles were increased by a flat 5 percent, and under the act of May 13, 1800, an additional 2½ percent was imposed on all articles then subject to a 10-percent duty. The act of 1804 imposed an additional 2½-percent duty on all articles on which an ad valorem duty was then imposed. As a result of this cumulative legislation, most of the ad valorem rates were increased to 17½ percent. Many of the specific duties also were increased during this period.

The appearance in 1791 of Alexander Hamilton's Report on Manufactures undoubtedly exercised a great influence over the post-Revolutionary tariff legislation. This report was prepared by Hamilton as Secretary of the Treasury, in response to a resolution of Congress calling for suggestions and plans "for the encouragement and promotion of such manufactures as will tend to render the United States independent of other nations."

#### THE WAR OF 1812

In 1812, all tariff duties were doubled to furnish the revenue with which to carry on the war with Great Britain. An embargo act also was passed prohibiting all commercial intercourse with the enemy. During the period of the war, manufacturing expanded materially, just as it had during the Revolution. The country was again thrown upon its own resources and was compelled to manufacture for its own needs. This new demand for manufactures was met mainly in New England, where much of the capital formerly engaged in shipping was temporarily idle.

With the ratification of the Treaty of Ghent in 1815, terminating the war, Congress was faced with the problem not only of increasing the revenues to discharge the war debts but with protecting the new manufacturing industries which, with the resumption of European competition, would face ruin. One week after the treaty was ratified, the House of Representatives called upon the Secretary of the Treasury to report a complete plan of duties. His report was not made, however, until a year later, and in the meantime Congress extended the double war duties until June 30, 1816, after which time a duty of 42 percent was to be imposed in addition to that existing on articles prior to July 1812. This was equivalent to a reduction of 29 percent in the war duties.

#### THE TARIFF ACT OF 1816

In 1816, Congress adopted a general tariff measure which conformed, in the main, with the plan submitted by Secretary of the Treasury Dallas. Articles which could be produced at home were taxed sufficiently high to exclude foreign competition; those which were only partially supplied by domestic producers were given a lower rate; and those which could not be produced in the domestic market were taxed for revenue purposes only.

The act of 1816 was the first tariff measure in which protection was the object, rather than the incident, and because of the intense feeling of nationalism then prevailing, it was supported by all sections of the country. John C. Calhoun and Henry Clay lent their support to the cause of protection by urging that economic independence from Europe was essential to real political independence.

#### THE ACT OF 1824

In 1819 there occurred the first world-wide industrial depression, and the resulting distress in this country was made the occasion for an unsuccessful attempt to raise customs duties. The agitation for increased protection continued, however, and in his message of December 2, 1823, President Monroe called upon Congress to review the tariff "for the purpose of affording such additional protection to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country."

The resulting Tariff Act of 1824 has been pronounced by some writers as the first really protective measure enacted by Congress.

Its passage became assured only by the union of the manufacturing Middle States and the agricultural West. The bill found its chief supporter in Henry Clay, who glorified the protective policy with the name "the American system." The debates again revealed the conflict of sectional interests, the bill being opposed by the planting interests of the South and the commercial interests of the East. Although the South had been almost solid for protection in 1816, it now denied that it was constitutional. New England was divided, wavering between manufactures and a return to its old shipping interests.

Under the tariff of 1824 the average rate rose to about 33 percent, and behind this wall of protection the capital invested in industries trebled in 3 years.

#### THE ACT OF 1828, OR TARIFF OF ABOMINATIONS

In 1828 the tariff was again increased, the general level of the rates being raised to 49 percent. This represented the extreme of protective legislation prior to the Civil War and stirred up increased resentment in the South. The act of 1828 had its origin in the agitation for increased protection following the defeat of the Mallory woolens bill in 1827, which culminated in the Harrisburg Convention.

One significant feature of the debate on the bill was the reversal on the part of Daniel Webster of his attitude toward the tariff. In 1824, representing as he did the commercial city of Boston, he strongly espoused free trade. Now he frankly changed sides, giving as his reason the fact that Massachusetts had accepted protection as a settled national policy and had invested her capital in manufactures.

The act of 1828 was derisively termed the "black tariff" and the "tariff of abominations" and gave increased impetus to the nullification movement, which was then gaining a foothold in the South.

#### NULLIFICATION

When Andrew Jackson assumed the Presidency in 1829, the threat of nullification was one of his most pressing problems. The interests of the South were the reverse of those of the North. Prevented by its slave labor from the development of manufactures, it sought the unrestricted importation of foreign goods and a wide foreign market for its agricultural products, particularly its cotton.

During 1828 and 1829 every legislature from Virginia to Mississippi declared for secession or nullification if the tariff policy were not radically changed. John C. Calhoun reversed his stand on the tariff to support his section and advocated nullification as the milder of the two remedies for the South's problem. In his famous Exposition he contended that the tariff was ruinous to the South; that protection was unconstitutional; and that in the case of an act so injurious and unconstitutional, any State had a right peacefully to nullify the law within her borders until Congress should appeal to the States and be sustained by three-fourths of them.

In 1830 the question precipitated the great Webster-Hayne debate, and a few weeks thereafter President Jackson indicated he would meet nullification with force when at a Jefferson Day dinner in Washington he uttered his famous toast, "The Federal Union: It must be preserved."

#### THE TARIFF ACT OF 1832

With a view to appeasing the South, President Jackson later recommended a downward revision of the tariff. Defying Jackson, and in spite of an excess of revenues in the Treasury, Henry Clay continued to champion the so-called "American system." The resulting Tariff Act of 1832 was perhaps a victory for both, as it removed some of the objections to the act of 1828 and restored the tariff to about the level of the act of 1824.

#### THE COMPROMISE TARIFF OF 1833

The reductions made by the Tariff Act of 1832 did not satisfy the South, and the opposition to protection continued to be violent. During the campaign for Jackson's reelection in 1832, South Carolina adopted an ordinance declaring the tariff laws void within that State and threatening war if the Federal Government attempted to enforce them.

Although President Jackson reaffirmed his determination to uphold the law, by the bayonet if necessary, he again recommended a downward revision of the tariff. Clay, feeling that the whole protective system was endangered, joined hands with Calhoun to draw a tariff bill acceptable to South Carolina. Their measure, known as the "Compromise Tariff of 1833", enlarged the free list and provided for a gradual reduction of duties so that by 1842 no rate should exceed 20 percent.

Congress passed the Compromise Tariff, and with it a Force bill, giving the President forces with which to bring South Carolina to obedience. President Jackson obtained what satisfaction he could by signing the Force bill ahead of the tariff measure, and 10 days later South Carolina repealed its nullification ordinance.

#### THE TARIFF ACT OF 1842

After the Compromise Tariff had been in effect for 4 years and the gradual reductions in rates began to be felt, a panic occurred which was the greatest the country had known up to that time. While the advocates of free trade ascribed it to currency inflation and speculation, the friends of protection believed that the Compromise Tariff was in part, if not wholly, responsible. In the election of 1840, the Whigs, who had espoused protection, were swept into office, and 2 years later, under the act of 1842, tariff duties were restored to about the level which had existed prior to Clay's Compromise measure.



## THE WALKER TARIFF OF 1846

Following the enactment of the Tariff Act of 1842, the Nation again experienced a period of prosperity, and there was an excess of revenues in the Treasury. In the Presidential campaign of 1844, Henry Clay was the candidate of the Whig Party and James K. Polk bore the Democratic standard. Clay continued to support the policy of protection, but his connection with the Compromise Tariff of 1833 lost him many friends, who thought that he had conceded too much. Polk, on the other hand, was represented as a free trader in the South and as a protectionist in the North. The question of slavery was then a big issue, and the Abolitionist Party, under Birney, drew enough votes from Clay in New York to give that State and the election to Polk.

Democratic success at the polls, along with the surplus in the Treasury, presented a favorable opportunity for a downward revision of the tariff. The Secretary of the Treasury, Robert J. Walker, laid before Congress a proposed bill which embraced the following principles, among others: No more money was to be collected from customs than is necessary for the support of the Government; no duty was to be imposed above the lowest rate which will yield the greatest revenue; the maximum duty was to be imposed on luxuries; and all specific duties were to be abolished.

Congress in 1846 adopted the Walker plan with some modifications, including an increase in the suggested ad valorem duties, in order to provide revenue with which to carry on the war with Mexico. The act of 1846 remained in effect for 11 years, and during the last 8 years of its operation the average rate on dutiable imports was 26 percent.

## THE TARIFF ACT OF 1857

Between 1846 and 1860 the people laid aside the consideration of economic and business questions to give their undivided attention to the slavery issue, which was then threatening to dissolve the Union. Thus, with little opposition, the tariff was again lowered in 1857 to offset a redundant revenue. The act of 1857, which remained in effect for 4 years, reduced the average rate on dutiable imports to approximately 20 percent. This was the lowest average under any act from 1812 to the present time.

## THE MORRILL TARIFF OF MARCH 2, 1861

The reduction of rates under the act of 1857 was made when the country was at the height of a wave of prosperity and speculation, which culminated in the financial crisis of that year. To offset the consequent decline in customs receipts, the Morrill bill was passed by the House of Representatives in March 1860, restoring the rates of the Walker Tariff of 1846. The bill was held up in the Senate for approximately a year, and as finally enacted contained many higher rates and was avowedly protective. It was signed by President Buchanan just two days before he relinquished his office to Abraham Lincoln.

## CIVIL WAR TARIFFS

When the Republican Party, under President Lincoln, assumed control of the Government in 1861, it found the Nation's credit impaired and the Treasury bankrupt. Moreover, the Southern States had begun to secede from the Union immediately after the election, and on February 4, 1861, Jefferson Davis had been named President of the Confederacy. It is significant that the Constitution which the seceding States adopted gave the Confederate Congress the power to levy duties and imposts for revenue purposes only, it being specifically provided therein that no duties should be laid to promote or foster any branch of industry.

The Republican Party in nominating Lincoln had made protection one of its cardinal principles. Accordingly when it came to framing the Civil War tariffs, Congress had protection as well as increased revenue in mind. The first of the war tariffs was the act of August 5, 1861, which imposed new and increased duties upon a large number of items, in addition to levying certain internal taxes. In December of the same year the duties on coffee, tea, and sugar were increased. The most important of the other war tariffs were the act of July 14, 1862, increasing tariff rates generally; the resolution of April 29, 1862, increasing duties by 50 percent for a period of 60 days; and the act of June 30, 1864, making additional general increases.

These tariff increases were all made in conjunction with the imposition of comprehensive and burdensome excise taxes upon many kinds of manufactures and occupations, as well as a tax upon incomes. Under the various Civil War acts customs receipts rose from \$39,000,000 in 1861 to \$179,000,000 in 1866. Receipts from internal-revenue taxes, which had not been imposed prior to the war, rose to \$309,000,000 in 1866.

The effect of the war tariffs upon the average rate on dutiable imports was to raise it from 19 percent in 1861, the last year under the act of 1857, to 47 percent in 1865.

## POST CIVIL WAR TARIFF LEGISLATION

With the close of the war it became the policy of Congress to reduce the volume of direct taxation and, so far as possible, limit governmental expenditures to the receipts from customs and the excise taxes on tobacco and spirits.

On July 14, 1870, President Grant approved the general tariff act of that date, which reduced the duties on many articles and gave additional protection to others. Such reductions as were made applied almost exclusively to articles of a distinctly "revenue" character, such as tea, coffee, sugar, spices, and so on.

In 1872 the country was again in the midst of a wave of prosperity and speculation. Imports and customs receipts reached new heights; and, despite the enormous reductions in internal taxes, the Government's receipts continued to be excessive. Largely to

offset this condition the act of May 1, 1872, was passed, transferring the most important revenue items, coffee and tea, to the free list. Later, under the act of May 1, 1872, Congress made a flat reduction of 10 percent in the duties on a number of the protective items and effected numerous specific changes in addition to adding a large number of articles to the free list. Following the panic of 1873, the Government's revenues fell off sharply, and these reductions were abrogated.

The depression in business following the panic of 1873 nearly cost the Republicans the Presidency in 1876, and did cost them control of the House of Representatives in the Forty-fourth and two succeeding Congresses, beginning December 6, 1875. During this period the Democrats made numerous unsuccessful assaults upon the tariff, including proposals not only to reduce rates but to impose duties "purely and solely" for revenue. Only one of the Democratic proposals was enacted—a measure putting salts of quinine and sulphate of quinine on the free list.

The election of James A. Garfield, in 1880, continued the successive line of Republican Presidents following the Civil War, and insured a continuation of the protective tariff. It was during the campaign of 1880 that Gen. Winfield Scott Hancock, the Democratic candidate, remarked that the tariff was a "local affair." This now-famous statement was greatly ridiculed by the Republicans, who upheld protection as a national system, and may have had much to do with his defeat. The words "local affair" have been changed by popular use to "local issue."

The surplus in the Treasury was at that time so great that the necessity for some revision of the tariff was universally conceded. The Democrats demanded a return to a tariff for revenue, or free trade, while the Republicans insisted upon the preservation of the principles of protection. In 1882, in response to the suggestion of President Arthur, who had succeeded to that office following the assassination of President Garfield, Congress authorized the appointment of a commission of nine to study the question and make recommendations.

## THE TARIFF ACT OF 1883

The commission appointed to investigate the tariff made its report in December 1882, as a result of which the House Ways and Means Committee formulated a bill reducing duties by about 20 percent. The commission's schedules were followed in the main, and most of the deviations were in the direction of further reductions rather than increases. However, before the House could pass the bill, the Senate passed the internal revenue bill which had previously been sent over from the House, adding amendments which virtually revised the entire tariff. The House then laid aside its own bill, disagreed to the Senate amendments to the internal revenue bill, and sent the latter measure to conference, where the final draft was shaped.

As approved by President Arthur on March 3, 1883, the measure was quite different from that recommended by the commission, some of the duties being higher and others lower. In general, it was thoroughly protective and remained in effect for the next 7 years, during which time no important revisions occurred. Under the 1883 law, the average rate on dutiable imports was 45 percent.

## DEMOCRATIC TARIFF PROPOSALS, 1884-90

In 1884, Representative Morrison, of Illinois, the then Democratic Chairman of the Ways and Means Committee, introduced a bill proposing a general tariff reduction of 20 percent and the entire remission of the duties on iron ore, coal, lumber, and other articles. This measure failed to pass the House of Representatives in spite of a Democratic majority of nearly 80. It was in connection with the debate on this measure that William McKinley raised himself to leadership of the protectionist forces in this country.

In the Presidential campaign of 1884 the Republican candidate, James G. Blaine, was opposed by Grover Cleveland. Notwithstanding large reductions in the internal-revenue taxes, there was still a large surplus in the Treasury, and both parties seemed to concede the need for a further reduction in the tariff.

Owing to factional differences in the Republican Party, Mr. Blaine failed to carry New York, thus throwing that State and the election to Mr. Cleveland. In his message to Congress in December 1885, President Cleveland called upon his party to take up the tariff, but the Democratic House of Representatives refused to consider a bill proposed by Mr. Morrison. Two years later President Cleveland sent his famous free-trade message to Congress, in which he referred to the tariff as "vicious" and "inequitable."

In response to this message the House passed the Mills bill, so named after the then Chairman of the Ways and Means Committee, Roger Q. Mills, of Texas. This measure proposed to transfer nearly all raw materials to the free list, together with most of partially manufactured articles, and in addition made sweeping reductions in the protective duties. In the Senate, where the Republicans still had a majority, a substitute measure was prepared which was in harmony with the principles of protection. With Congress thus divided, no final legislation was enacted, but the position of both major parties was sharply defined, and in the campaign of 1888, between President Cleveland and Benjamin Harrison, the tariff question was squarely presented to the American people.

## THE MCKINLEY TARIFF OF 1890

The Republicans naturally interpreted the election of Mr. Harrison as a mandate for the continuation of the policy of protection. Accordingly, in 1890, Congress enacted the McKinley tariff, which takes its name from the then Chairman of the Ways and Means Committee, William McKinley, of Ohio, who later became



President. The purpose of the bill, as explained in the report of the committee, was to impose duties upon such foreign products as compete with our own, and to enlarge the free list wherever it could be done without injury to any American industry.

While the McKinley Act raised the general level of the protective duties, it at the same time extended the free list to such an extent that one-half the importations, on a value basis, came in free of duty. This was the highest ratio of free imports in the history of the country up to that time. In the fiscal years 1892-94, the average rate on dutiable imports proved to be over 49 percent, but on free and dutiable goods combined it was only 22 percent.

One feature of the act of 1890 was the provision for penalty duties on certain items. Coffee, tea, hides, sugar, and molasses were placed on the free list; but it was provided that if any country producing and exporting such articles to the United States imposed unequal or unreasonable duties on our products, the President should suspend the free entry of these articles from that country and impose thereon certain rates of duty provided in the act.

It had been found that 87 percent of the imports from Central and South American countries were free of duty, while nearly every class of articles which we exported to them was subject to high duties. This penalty provision forced these countries to admit our products on favorable terms. Unlike most reciprocal arrangements, it did not involve any concessions in duty on our part which might result in injury to domestic industries.

#### THE WILSON-GORMAN TARIFF OF 1894

The Democrats were returned to power under Grover Cleveland in the election of 1892, and although a financial panic occurred in September 1893, the administration felt compelled to go through with its promise to reduce the tariff. Accordingly, the Wilson bill was reported to the House by the Ways and Means Committee and was passed substantially unchanged. In the Senate, however, where some of the Democratic Members were more or less half-hearted on the question of tariff reduction, many changes were made in the direction of modifying the reductions proposed in the House bill. The bill was then sent to conference, where, despite a letter from President Cleveland urging resistance to the Senate amendments, the House conferees capitulated. Mr. Cleveland signified his displeasure by letting the Wilson-Gorman Act become a law without his signature.

The changes made by the act of 1894 were not very great but tended in the direction of lower rates. To offset the anticipated reduction in revenue a duty was again placed on sugar and an income tax was imposed, which was later declared unconstitutional. The Wilson-Gorman Act remained in effect for 3 years, during which time the average rate of dutiable imports was 41 percent.

#### THE DINGLEY TARIFF OF 1897

The Presidential election of 1896 was won by the Republicans on the issue of sound currency. The successful candidate was William McKinley, who had been defeated for reelection to the House following the enactment of the tariff bill of 1890, which bears his name, but who the next year was elected Governor of Ohio. In spite of the predominance of the currency question President McKinley gave immediate consideration to the tariff by calling a special session to revise the Wilson-Gorman law.

During the closing days of the Cleveland administration the Republican Ways and Means Committee, under the leadership of its chairman, Nelson Dingley, Jr., of Maine, had been preparing a bill to be introduced at the opening of the new Congress. The resulting Tariff Act of 1897 was in general a redraft of the McKinley Act, although in many instances the rates were lower, and in a few cases the rates of the Wilson bill were allowed to stand. Its twofold purpose, as expressed by Mr. Dingley, was to "raise additional revenue and to encourage the industries of the United States."

In addition to restoring protection, the Dingley Act revived the penalty duties provided in the McKinley Act and also set forth a list of concessions which the President might make in the duties on certain articles (argols, spirits, wines, paintings, drawings, and statuary) in return for equivalent concessions by foreign countries. The act also authorized the President to negotiate reciprocity treaties granting reductions up to 20 percent, but required that any such treaty, before becoming effective, must be ratified by both the House and Senate.

The Dingley law remained in effect for 12 years, or until 1909, and during that time the average rate on dutiable imports was 46 percent. In this period, domestic manufactures increased tremendously, and our exports found their way into the markets of the world. That the people were entirely satisfied with the return to protection was attested by the successive Republican victories at the polls in the years following the enactment of the Tariff Act of 1897. In addition to electing Presidents McKinley, Roosevelt, and Taft, the Republicans controlled the House of Representatives from 1895 to 1911, and the Senate from 1895 to 1913, a remarkable record.

#### RECIPROCITY WITH CUBA

After the War with Spain, President Theodore Roosevelt negotiated a reciprocity treaty with the new Republic of Cuba, to which the Senate advised and consented. Pursuant thereto, Congress passed the act of December 17, 1903, which provides that as long as the treaty shall remain in force all Cuban products which on that date were imported into the United States free of duty shall continue to be so admitted, and that all other articles shall be

granted a reduction of 20 percent in the duties then or thereafter imposed. Cuba, in turn, grants similar concessions to the United States. The treaty is still in force.

#### THE PAYNE-ALDRICH TARIFF OF 1909

After the Tariff Act of 1897 had been in effect for about a decade there was a general feeling that its rates were ill-adjusted to the existing industrial conditions. Moreover, there was a growing animosity toward trusts, which were thought by some to be fostered by the tariff.

In response to public sentiment, the Republican platform of 1908 declared for a thorough-going revision of the Dingley Act, and asserted that the "true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." The Democratic platform, on the other hand, called for an immediate reduction of the duties on necessities, and for placing on the free list all articles entering into competition with the so-called "trust controlled" products.

Immediately after Mr. Taft's election, the Ways and Means Committee, under the direction of its chairman, Sereno E. Payne, of New York, began the preparation of a new bill which was introduced at the special session of Congress in March 1909. The bill passed the House substantially as prepared by the committee, but in the Senate a large number of amendments were made, the tendency of which was to increase the rates in the House bill and wipe out many of the reductions which had been made therein. When the bill reached the conference stage, President Taft brought pressure to bear in favor of the lower House rates, and in the end a measure resulted which was acceptable to him.

It has been estimated that the act of 1909 reduced rates in 584 instances, affecting 20 percent of the imports, while making 300 increases. During the 4 years which it was in operation, the average rate on dutiable imports was approximately 41 percent.

The Payne act abandoned the principle of reciprocity, which had proved very unsatisfactory, and adopted instead a maximum and minimum schedule of rates. The maximum schedule was made generally applicable, but the President was empowered to put the minimum schedule into effect with respect to imports from any country which he found did not discriminate against our own products. To assist the President in making his findings, authority was given for the establishment of a tariff board, and as a result of its investigation the minimum schedule of rates was proclaimed with respect to imports from all countries.

#### THE UNDERWOOD-SIMMONS TARIFF OF 1913

In the Presidential election of 1912 Woodrow Wilson was swept into office by an unprecedented electoral vote on account of the split between President Taft and Theodore Roosevelt. While the Republican platform of that year reaffirmed the party's belief in protection, the Democrats declared for a tariff for revenue only, asserting that "protection" was unconstitutional. Owing to the peculiar circumstances of the campaign, it could hardly be said that the Democrats received a mandate from the people in favor of a revenue tariff. Nevertheless, they were quick to seize the opportunity presented by Mr. Wilson's election to revise the Payne-Aldrich Law.

Upon assuming office President Wilson called an extra session of Congress to meet April 7, 1913, and on the opening day Mr. Underwood, of Alabama, then Chairman of the Ways and Means Committee, introduced a tariff bill which had been prepared by the Democratic majority in the short session of the Sixty-second Congress. This bill became the basis for a second bill which was introduced and reported 2 weeks later.

The bill passed the House approximately 2 weeks after its introduction, the Democrats having bound their Members to support the bill and resist all Republican attempts at amendment. In the Senate progress was much slower, but after being debated in that body all summer the bill was passed on September 9. The Senate made many amendments to the House bill, but the differences were easily ironed out in conference, owing to the active influence of President Wilson.

In addition to reducing rates generally the Underwood-Simmons Act made considerable additions to the free list, including such items as iron ore, pig iron, agricultural implements, coal, lumber, numerous agricultural products (such as wool, cattle, meat, eggs, milk, cream, wheat, corn, flour, and hemp), and numerous manufactures (including boots and shoes, gunpowder, wood pulp, and print paper). Sugar also was made free of duty under a process of gradual reductions, but this provision later was modified because of the large loss of revenue which resulted.

One feature of the act of 1913 was the introduction of the so-called "competitive" principle, as distinguished from the Republican doctrine of equalizing foreign and domestic production costs. Although the Democratic platform had declared simply for a tariff for revenue, Chairman Underwood gave a new interpretation of this phrase when he declared that it meant a competitive tariff, or one which allows sufficient imports of every product made into the United States to bring about active competition in all industries. President Wilson expressed a similar view in his message to Congress.

The act of 1913 had been in effect but 10 months when in August 1914 the World War broke out in Europe. During the war period commerce was so disturbed that the rates of the Underwood law had little effect one way or the other. Virtually all European competition was cut off, and in spite of lowered duties domestic producers enjoyed a high degree of artificial protection. After the war, however, there came a deluge of foreign importa-



tions. In 1920, the last full year under the Underwood Act, the average ad valorem rate on dutiable imports was only 16.4 percent, the lowest in any one year since before the Civil War.

Any reference to the Tariff Act of 1913 would be incomplete without mentioning that it was this law which gave the country its first income tax subsequent to the ratification of the sixteenth, or income-tax, amendment. During the Civil War a temporary income tax had been imposed, the constitutionality of which was never challenged; but when a similar levy was enacted in 1894, the Supreme Court held it to be a direct tax, which, under the Constitution, must be apportioned among the States according to population. The sixteenth amendment, which became effective February 28, 1913, obviated this requirement with respect to the income tax. It provides as follows:

"The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration."

From 1789 until the Civil War customs receipts furnished practically the entire revenue of the Government. At that time, in order to meet the costs of the war, certain internal-revenue taxes were imposed in conjunction with increased tariff duties, to which reference already has been made. From 1864 through 1868 these internal taxes produced more revenue than the tariff. Most of these war levies were later repealed, but, as has been previously pointed out, the excise taxes on tobacco and spirits continued to be a major source of revenue.

The year before the income-tax law of 1913 was enacted, 45 percent of the Government's ordinary receipts came from customs duties, 42 percent from miscellaneous excise taxes, and 4 percent from the excise tax on corporations. The balance of the total receipts of \$693,000,000 was accounted for by sales of public lands and other miscellaneous revenues.

The income tax as imposed under the act of 1913 was not a large revenue producer, due to the low rates and large exemptions. However, beginning with the World War years, from 1916 on, when the demand for revenue was so great, it became the backbone of the Federal revenue system, producing nearly \$4,000,000,000 in the fiscal year 1920 as compared with \$322,000,000 from customs.

Although in the fairly normal year of 1926 customs receipts were nearly \$530,000,000, this sum represented less than 15 percent of the Government's ordinary receipts, the income tax accounting for 50 percent and miscellaneous excise taxes nearly 22 percent. The fact is that Government expenditures have grown so great that customs receipts no longer can be counted upon for a major portion of its revenues. In 1912, when customs receipts produced 45 percent of the ordinary receipts, the cost of government was less than \$700,000,000. Now, of course, it runs up into the billions.

#### EMERGENCY TARIFF OF 1921

I have already stated that the World War provided a period of artificial protection to domestic producers, in spite of the low rates of the Underwood tariff and the placing of many agricultural and other products on the free list. After the war, when the normal channels of trade were reopened, this country became the dumping ground for surplus European war stocks. At the same time, deflation and the collapse of the price structure delivered a staggering blow to industry and agriculture, especially the latter.

With a view to relieving agricultural distress as much as possible, the Republican Congress in the winter of 1920-21 passed an emergency tariff bill placing temporary duties on a number of the principal farm products. This measure was vetoed by President Wilson the day before Mr. Harding became President. However, in a special session of Congress called by the latter the measure was again passed, becoming a law on May 27, 1921. Originally it was to have operated for only 6 months, but it was later extended indefinitely, or until permanent general legislation could be enacted.

In addition to imposing temporary duties on agricultural products, the emergency tariff provided for an embargo on dyestuffs and levied a special antidumping duty on all foreign merchandise sold to domestic importers at less than the fair market value. This latter duty, by the way, is still in effect.

#### THE FORDNEY-M'CUMBER TARIFF OF 1922

The conditions which gave rise to the enactment of the emergency tariff also necessitated a permanent general tariff revision. In fact, work on a permanent measure was begun long before the emergency act became a law. As early as 1919 the Republican House of Representatives passed a resolution directing the Tariff Commission to prepare a summary of tariff information containing data in condensed form on each item in the law. In June 1919 hearings were held on the subject of dyestuffs and other new war-time industries. Following President Harding's election in 1920 the Ways and Means Committee announced public hearings beginning January 6, 1921, with a view to undertaking a general revision of the tariff. These hearings lasted until the middle of February, but it was not until July that a bill was reported to the House by Chairman Fordney.

The Fordney bill passed the House less than a month after its introduction, and the Senate Finance Committee at once began hearings on the measure. It was not reported to the Senate, however, until the following April, the Finance Committee having in the meantime laid aside the tariff to take up the internal-revenue bill which had been sent over from the House. The delay was occasioned by the fact that the tariff bill, as passed by the House, had provided for American valuation of imported merchandise, with the rates adjusted accordingly. The Finance Committee voted to restore the foreign valuation basis before consid-

ering the House bill further, thus necessitating a recomputation of all ad valorem rates.

The Fordney-McCumber bill was under consideration in the Senate until August, finally becoming a law on September 21, 1922, 1 year and 9 months after the House began hearings on the measure.

In enacting the Fordney measure it was the aim of the Republican Congress to substitute protection for the "tariff for revenue" policy of the Underwood law, and in the main the 1922 act constituted a return to the general level of rates which had existed before the Democrats came into power in 1913, with the necessary adjustments for changed competitive conditions. The bill showed the influence of a number of new industries which had grown up during the war and whose existence was threatened by the return to normal times. One of these was the production of dyestuffs, which formerly had been supplied by Germany.

It was interesting to note in connection with the debate on the Fordney bill, both in the House and Senate, that the Republican theory of protection was seldom attacked by the Democrats, most of the criticism being directed to the degree of protection provided. For over a hundred years, protection had been anathema to the South, but with its recent industrial development there has come a change of viewpoint. Not only did the cane producers of Louisiana continue to demand protection, but they were joined by various other groups, including the textile manufacturers of the Carolinas, the graphite producers of Alabama, and so on.

During the nearly 8 years during which it was in operation the average rate on dutiable imports under the Fordney law was 38.5 percent, as compared with 27 percent under the Underwood Act and 40.7 percent under the Payne Act of 1909. The average rate on both free and dutiable imports under the Fordney Act was 14 percent.

The most notable feature of the act of 1922 was the introduction of the flexible tariff. It was evident when the bill was under consideration that because of rapidly changing conditions and the necessary readjustments following the war, the task of writing a more or less permanent rate on a given article was exceedingly difficult. Within a few months it might be entirely too low or too high. It was to cope with this prospective situation that the House originally based the duties in the Fordney bill upon the American value of imported articles.

When the Senate rejected American valuation, it substituted the flexible tariff, by which the President was given the power to modify the duties fixed in the act within a range of 50 percent, either up or down, when he found after investigation by the Tariff Commission that an existing duty did not equalize the difference in cost of production of a domestic article and like or similar foreign articles. The President also was given the power to base duties on the American value where he found that the differences in production costs could not be equalized by changing the rate itself.

The purpose of Congress in enacting the flexible-tariff provision was to provide a means whereby duties might be maintained at the proper level to offset foreign cost-of-production advantages without the necessity of constant congressional action.

The constitutionality of the flexible tariff was immediately challenged on the ground that Congress had thereby delegated legislative powers to the President. However, in a test case the Supreme Court overruled this contention, holding in effect that Congress had merely laid down a rule or "yardstick" for rate making and directed the President to modify rates to conform thereto. Such a delegation of authority, the Court held, was administrative only and therefore did not constitute an unconstitutional delegation of legislative powers. (See *Hampton & Co. v. United States*, 276 U. S. 406.)

#### THE HAWLEY-SMOOT TARIFF OF 1930

The Tariff Act of 1922 was passed while the unsettled conditions following the World War still prevailed, both at home and abroad. Subsequent to that time many new products entered the markets, new conditions of production arose, and new and active competitors entered the field.

In the Presidential campaign of 1928 the Republican Party promised the country a readjustment of the tariff "in the light of changes in the world competitive situation" subsequent to the enactment of the Fordney law. Construing the Republican victory at the polls as both a mandate and a direction to carry out this pledge, the Ways and Means Committee began hearings in the short session of the Seventieth Congress with a view to revising the act of 1922. These hearings lasted from January 7 to February 27, 1929, during which time more than 1,100 persons were heard and some 11,000 pages of testimony taken.

Following the hearings, the Republican members of the committee began the preparation of the bill, the Democratic members being excluded in accordance with the practice followed by both parties. Prior to the hearings, each of the 15 majority members had been assigned by the chairman to specialize on one of the 15 schedules of the 1922 law, and when the actual drafting of the bill began these members became chairmen of the subcommittees, in charge of the respective schedules. The subcommittees were composed of three members, so each Republican served on two others in addition to the one of which he was chairman.

In the preparation of the first draft of the bill, the subcommittees were assisted by commodity experts from the Tariff Commission, who briefed the hearings and gave technical information regarding the thousands of items under consideration. The Tariff Commission also prepared a summary of tariff information giving



statistics and other data regarding the articles in each paragraph of the law.

When all of the subcommittees had finished their work, they reported to the full Republican membership, and their recommendations were then approved, modified, or rejected. The bill was then put in final shape and was introduced in the House by Chairman Hawley on May 7, 1929, during the special session of Congress called by President Hoover to consider the tariff and farm relief. The following day the bill was formally referred back to the committee for report, and on May 9, by a strict party vote, it was reported to the House. After being fully debated in the House, it was passed on May 28, with sundry committee amendments.

The Senate Finance Committee immediately began hearings on the measure, and it was reported to the Senate September 4. From that time until March 24, 1930, it was before the Senate, finally passing that body on that date with 1,253 amendments. The bill was in conference during April and May, and it was not until the middle of June that it finally passed. The new law was approved by President Hoover on June 17, 1930, 18 months after its preparation began.

An analysis of the Hawley-Smoot Act made by the Tariff Commission showed that of the 3,296 items specifically mentioned as dutiable in either the 1922 or 1930 acts, the rates on 1,112, or 34 percent, were changed. Of these changes, 890 were increases, including 50 transfers from the free list to the dutiable list, and 235 were decreases, including 75 transfers to the free list. The more significant rate increases pertained primarily to the agricultural schedule. The flexible-tariff provision, which was first incorporated in the act of 1922, was continued in the Hawley-Smoot Act with some modifications.

From the time of its enactment in June 1930, until the end of the calendar year 1933, the average rate on dutiable imports under the Hawley Act was 52.8 percent. However, on free and dutiable goods combined the average was only 17.7 percent. This great difference is accounted for by the fact that approximately two-thirds of the imports, on the basis of value, are entered duty free.

#### DEMOCRATIC TARIFF PROPOSALS IN THE SEVENTY-SECOND CONGRESS

When the Democrats assumed control of the House of Representatives in the Seventy-second Congress, beginning in December 1931, one of their first major legislative proposals was a bill amending the flexible-tariff provision of the 1930 law and providing for the negotiation of reciprocal-tariff agreements.

Under the bill, the President would have been shorn of his power to modify tariff rates, and any proposed changes recommended by the Tariff Commission would have required congressional action to put them into effect. While the bill authorized and requested the President to negotiate trade agreements with foreign countries, it also provided that such agreements should not become operative "until Congress by law shall have approved them."

The measure was passed in the House by a party vote, and its passage in the Senate was made possible by a coalition of Democrats and Progressives. President Hoover vetoed the bill, and the House failed to pass it over the veto. Mr. Hoover contended that the measure destroyed the principle of the flexible tariff and said that the provision for foreign-trade agreements was an abandonment of the policy of uniform and equal treatment for all nations.

#### IMPORT TAXES UNDER THE REVENUE ACT OF 1932

During the consideration of the internal-revenue bill of 1932 there was considerable agitation for a tariff on petroleum, coming principally from the independent producers of Texas and Oklahoma.

Piecemeal tariff revision has seldom been undertaken in recent years, but the necessity for amending the tariff act was obviated by the simple expedient of including in the internal-revenue bill an item placing an excise tax upon imported crude petroleum and related products. This was a signal for other groups desiring tariffs to put forth their demands, and when the Revenue Act of 1932 was finally passed it contained three other tariff items in the guise of an excise tax. In addition to crude petroleum, coal, lumber, and copper were subjected to a tax upon their importation.

When the Revenue Act of 1934 was under consideration, certain animal and vegetable oils were added to the list.

#### RECIPROCAL TARIFF ACT OF 1934

The Democratic platform of 1932 advocated a competitive tariff for revenue, presumably along the lines of the Underwood law, coupled with reciprocity. Although they are now in complete control of the legislative and executive branches of the Government, the Democrats have avoided a general downward revision of the tariff. However, virtually the same end can be achieved under the Reciprocal Tariff Act, which was passed in the Seventy-third Congress as an administration measure.

This act gives the President virtually carte blanche authority to enter into binding reciprocal-tariff agreements with foreign countries, and to make concessions in duties pursuant to such agreements, without the necessity of congressional approval of his action. In the latter respect, it differs from all past reciprocity measures, including the Democratic proposal in the Seventy-second Congress.

It is the theory of those sponsoring the measure, including the present Secretary of State, Hon. Cordell Hull, that we should not produce in this country any article which can be more efficiently or more economically produced elsewhere. They believe that certain of our domestic industries should be sacrificed as a means of gaining larger foreign markets for other industries which are on an export basis.

When this measure was before Congress, it led to a partisan debate, with the Republicans in bitter opposition. They contended, among other things, that it constituted an unprecedented and unconstitutional delegation of the taxing and treaty-making powers of Congress; that it put into the hands of one man the power of life and death over every domestic industry dependent upon tariff protection; that it was inconsistent with the recovery program, since by inviting a flood of foreign importations it would result in increased unemployment; and that owing to the present tendency of nations to make themselves self-sustained and self-contained, any hope of recovering the old foreign markets was illusory.

In view of their opposition to the enactment of the flexible-tariff provisions, it was surprising that the Democrats would have sponsored a measure which went far beyond that law in granting to the President power over the tariff. They even cited the flexible tariff as a precedent for the reciprocal-tariff measure, but the Republicans answered that there was no comparison in the two propositions, since under the former a rate-making formula was laid down by Congress to which the President was required to conform, whereas under the reciprocal tariff he could fix rates upon any basis he chose.

The Democrats also cited as a precedent the President's powers under the McKinley tariff of 1890, but again the Republicans answered that no analogy could be drawn, because under that act Congress merely gave the President the authority to put prescribed rates into effect on certain named articles when he found a given state of facts to exist. In other words, they said, he had no rate-making powers.

When the Democrats attempted to show that the Republican Party in the past had been committed to a policy of reciprocity, the Republicans answered that it was an entirely different kind of reciprocity which they had advocated, involving neither a surrender of the taxing power to the President nor the destruction of any domestic industries. If an attempt was to be made to expand foreign trade by reciprocal-tariff agreements, they contended, it should be done along the lines of the McKinley law, using the great domestic market for noncompetitive items now on the free list, which constitute two-thirds of our imports, as a lever to force favorable concessions for our exports in foreign markets. Such a measure, they said, would not injure a single domestic industry and would cost the country nothing in actual concessions.

Aside from their opposition to the reciprocal tariff measure on economic and constitutional grounds, the Republicans bitterly criticized the methods which the Democrats used to enact it. Whereas the Fordney-McCumber law was 21 months in the course of preparation and the Hawley-Smoot Act 18 months, this measure was before Congress only a little more than 3 months. The hearings on the measure were called only a few days after its introduction, before the industries affected had time to digest the bill or prepare their cases, and it was rushed through the House without anyone understanding what it was all about or what its ultimate effect on the country would be.

#### CONCLUSION

It is evident from this brief review that the tariff has played an important part in the economic development of the United States, and that it is perhaps the oldest political issue in our history.

For nearly a century and a half the Nation has grown and prospered under the protective tariff. In the early days it made possible the establishment of home industries which today make this country economically independent of most of the world. It has resulted in the establishment within our borders of the greatest home market on earth, in which is consumed 90 percent of the domestic production of movable goods and where one-half the business of the world is transacted. In addition it has enabled the building up of the American standard of living through the payment of higher wages than are enjoyed in any other country.

As a political issue, the tariff has had an interesting history. Universally accepted as a source of revenue, the propriety of its use as a means of encouraging home industries has frequently been challenged, even though upheld by the courts. The tariff once divided the North and the South and was one of the contributing causes of the Civil War.

The Republican Party, since its birth just prior to that war, has consistently upheld the protective tariff as one of its cardinal principles. Moreover, the Democratic Party, which for so long has advocated the use of the tariff "for revenue only", has gradually come to accept protection in principle, although differing as to the degree to which it should be applied. Thus, as the great Daniel Webster said a century ago, "protection" seems to be the settled national policy of this country.

Matters of public interest come and go, but it is perfectly apparent that from the beginning of our history no other subject has continued to hold such a predominant place in legislation as the tariff.

#### HOME OWNERS' LOAN CORPORATION

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a copy of the bill that I am introducing today in reference to the H. O. L. C.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.



Mr. TRUAX. Mr. Speaker, the deplorable plight of thousands of home owners may be traced directly to this tremendous centralization of wealth in the hands of the few. These pirates who feast and fatten on the bleaching bones of a suffering humanity not only squeeze from them their small incomes and earnings in normal times, their all, but in periods of great economic distress they mortgage the future earnings and incomes of these unfortunates by foreclosing their homes and farms and then obtaining deficiency judgments for the disparity between the confiscation price of today and the normal price of good times.

This nefarious practice of these human vultures commonly known as "money lenders" can and must be stopped.

We stopped it with respect to farm foreclosures and deficiency judgments when we enacted into law on the last day of the last session of the Seventy-third Congress the Farm Bankruptcy Act, commonly known as the "Frazier-Lemke bill."

In that act we gave the hard-pressed farmer a 5-year moratorium, a scale down of the mortgage to its present value, the abolition of deficiency judgments, and a livable rate of interest of 1 percent on the mortgage. This in the event that the majority of the creditors in number and amount agree to abide by the provisions of this act. In the event that a majority refuses to agree then we again throw the protecting arm of Congress about these worthy citizens by providing that the farmer can continue to reside on his farm for a period of 5 years by the payment of a reasonable rental annually to the mortgagee or Shylock.

This is exactly what we propose to do for the distressed home owner under the provisions of the bill which I have introduced today and which herewith appears in my remarks.

Everyone seems to agree that additional bonds should be authorized for the use of the Home Owners' Loan Corporation. Nearly everyone concedes that when these additional bonds are authorized, instead of giving the bureaucrats of the Home Owners' Loan Corporation carte blanche in the disposal of said bonds and funds, certain restrictions and regulations should be incorporated. We all know that abuses have been and now are tolerated by these bureaucrats that have militated against the welfare of those home owners who are most distressed and who need emergency refinancing most. The bill I am introducing is designed to eliminate all abuses, favoritism, and discrimination, so that those who are most keenly in distress will receive the greatest assistance and at the earliest possible moment.

My desire is to help, first, those wage workers who have formerly earned their bread by the sweat of their brows and who now through no fault of their own, face continued unemployment; and those salaried workers in the professions and those thousands in small business and industry and those other thousands classed as independent producers.

The maximum amount that can be loaned to one individual, namely, \$14,000, is much higher than needed to relieve the wants of these classes of worthy citizens which I have just enumerated. A maximum amount of \$7,500 to be loaned to these wage workers who create all the wealth and pay all the taxes would be ample and sufficient to relieve them fully. Indeed, in the cases of thousands the equivalent of \$1,000, \$2,000, \$3,000 would be fulsome; hence I have reduced the maximum amount to \$7,500, believing that this amount will represent the needs of the great majority of distressed mortgagors, not only those whose applications have already been filed but those other untold numbers who must either be given the opportunity to now file an application for Government refinancing or be foreclosed by the greedy and unfeeling money lenders.

To make it certain that the individual making application for a Government loan from the Home Owners' Loan Corporation is really in distress, your attention is called to section 4 (k) of the Home Owners' Loan Act of 1933, as amended, which further amended so as to read as follows:

Providing and stipulating that the applicant must be in an involuntary default in the payment of principal, interest, or taxes, and does not possess the ability to maintain nor liquidate his present mortgage.

In short, he must actually be threatened with foreclosure and loss and confiscation of his home. That is the test. That is the yardstick that will measure his distress, and not to be subject to the rules, regulations, and whims of unsympathetic bureaucrats.

Safeguards are also provided in this bill to preclude the possibility of the distressed home owner being foreclosed and sold out by the liquidator of defunct banks, such as was done in a ruthless manner by Ira J. Fulton, State superintendent of banks during the administration of Gov. George White.

A typical case of the tragic sufferings of American people dispossessed by money lenders and set out in the street by the edicts of the court is pathetically depicted by a constituent of mine, Mrs. Mary E. McNabb, of Columbus, Ohio, who has, under date of January 5, advised me that she made application to the Home Owners' Loan Corporation and endeavored to secure a loan through them ever since the first day that it opened. She states that—

I heard the President speak over the air asking everyone to write to him if we could not get a loan. I wrote in to him about this loan. They told a certain newspaperman that they would do nothing for me because I took it over their heads, so you see I lost the loan in answer to the President's message over the air inviting me to write in.

We had 4 double and 2 single houses. I lived in one of the doubles and the loss of rent from the unemployed was the cause of getting behind in payments on this property. They foreclosed and sold the double where I lived. They refused to give me a loan on any of the other properties as it was not my home, so you see I lost it all. They have taken away my home and income as my husband is an invalid and unable to work, with six in the family. He has had rheumatism for the last 24 years, bedfast part of the time, on crutches part of the time, and a builder part time. He has had several attacks of rheumatism and has been bedfast as long as 1 year at a time with the most severe pain, but still he managed to keep his family together. A source of income has always been from rent, but we have lost it all now unless there is a chance to get a home loan on our home which has been sold.

Copy of my bill to issue an additional \$1,250,000,000 in bonds to enable the Corporation to grant additional relief to distressed home owners follows. You will note that the amount requested under maximum loans of \$7,500 will relieve thousands more than under the old provision of a maximum loan of \$14,000.

A bill to authorize the Home Owners' Loan Corporation to issue an additional \$1,250,000,000 of bonds to enable the Corporation to grant additional relief to distressed home owners

*Be it enacted, etc.,* That the first sentence of the Home Owners' Loan Corporation Act of 1933, section 4 (c), as amended (relating to the aggregate amount of bonds which the Home Owners' Loan Corporation may issue), is amended by striking out "The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$3,000,000,000" and inserting in lieu thereof "The Corporation is authorized to issue bonds in an aggregate amount not to exceed \$4,250,000,000."

Section (d) (2) of the Home Owners' Loan Act of 1933, as amended, is further amended by striking out "The face value of the bonds so exchanged plus accrued interest thereon and the cash so advanced shall not exceed in any case \$14,000, or 80 percent of the value of the real estate as determined by an appraisal made by the Corporation, whichever is the smaller" and inserting in lieu thereof "The face value of the bonds so exchanged plus accrued interest thereon and the cash so advanced shall not exceed in any case \$7,500, or 80 percent of the value of the real estate as determined by an appraisal made by the Corporation, whichever is the smaller."

Section 4 (k) of the Home Owners' Loan Act of 1933, as amended, is further amended so as to read as follows:

"(k) The Board is authorized to make such bylaws, rules, and regulations not inconsistent with the provisions of this act as may be necessary for the proper conduct of the affairs of the Corporation: *Provided*, That no such bylaws, rules, and regulations made or adopted which shall be inconsistent with the provisions of this act, as amended, to prevent foreclosure and provide emergency relief from foreclosure and for the refinancing of home mortgages, and which will prohibit or prevent distressed home owners who are qualified and eligible under the terms of this act, as amended, from obtaining refinancing of said home-mortgage indebtedness. The Corporation is further authorized and directed to retire and cancel the bonds and stock of the Corporation as rapidly as the resources of the Corporation will permit. Upon the retirement of such stock, the reasonable value thereof as determined by the Board shall be paid into the Treasury of the United States and the receipts issued therefor shall be canceled. The Board shall proceed to liquidate the Corporation when its purposes have been accomplished and shall pay any surplus or accumulated funds into the Treasury of the United States. The Corporation may declare and pay such dividends to the United States as may be earned and as in the judgment of the Board it is proper for the Corporation to pay."



Section 4 (1) of the Home Owners' Loan Act of 1933, as amended, is further amended to read as follows:

"(1) No home mortgage or other obligation or lien shall be acquired by the Corporation under subsection (d), and no cash advance shall be made under subsection (f) unless the applicant was in involuntary default on June 13, 1933, in the payment of either principal or interest on his home real estate, or of taxes the nonpayment of which constitutes a default under the terms of the mortgage on his real estate, and is found by the Corporation, at the time his application is considered not to possess the ability to maintain nor liquidate his present mortgage indebtedness: *Provided*, That the foregoing limitation shall not apply in any case in which it is specifically shown to the satisfaction of the Corporation that a default after June 13, 1933, and prior to the date this subsection as amended takes effect was due to financial losses, economic distress, unemployment, or other conditions beyond the control of the applicant, in which the home mortgage or other indebtedness is held by any institution in the process of liquidation."

#### DISTRICT OF COLUMBIA APPROPRIATION BILL, 1936

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the bill (H. R. 3973; Rept. No. 7) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1936, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. DITTER reserved all points of order on the bill.

#### ADDITIONAL APPROPRIATIONS FOR FEDERAL COMMUNICATIONS COMMISSION, THE NATIONAL MEDIATION BOARD, AND THE SECURITIES AND EXCHANGE COMMISSION, 1935

Mr. BUCHANAN. Mr. Speaker, I call up the resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission, for the fiscal year ending June 30, 1935, and ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. CELLER. Reserving the right to object, will the gentleman state what the bill is about?

Mr. BUCHANAN. The bill is a supplemental appropriation bill to provide for the Federal Communications Commission, the Securities and Exchange Commission, and the National Mediation Board to give them funds so that they can operate for the balance of the fiscal year.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, I reserve all points of order on the House joint resolution.

The Clerk read as follows:

*Resolved, etc.*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1935, for the purposes hereinafter enumerated, namely:

#### FEDERAL COMMUNICATIONS COMMISSION

For all authorized expenditures of the Federal Communications Commission in performing the duties imposed by the Communications Act of 1934, approved June 19, 1934 (48 Stat., 1064), the Ship Act, approved June 24, 1910, as amended (U. S. C., title 46, secs. 494-487), the International Radiotelegraphic Convention (45 Stat., pt. 2, 2760), and Executive Order No. 3513, dated July 9, 1921, as amended by Executive Order No. 6779, dated June 30, 1934, relating to applications for submarine cable licenses, including personal services, contract stenographic reporting services, rental of quarters, newspapers, periodicals, reference books, law books, special counsel fees, supplies and equipment, including purchase and exchange of instruments, which may be purchased without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed \$25, improvement and care of grounds and repairs to buildings, traveling expenses, including expenses of attendance at meetings which in the discretion of the Commission are necessary for the efficient discharge of its responsibilities, and other necessary expenses, \$480,000.

#### NATIONAL MEDIATION BOARD

For all printing and binding for the National Mediation Board, \$1,750.

#### NATIONAL RAILROAD ADJUSTMENT BOARD

For authorized expenditures of the National Railroad Adjustment Board, in performing the duties imposed by law, including

personal services, contract stenographic reporting services, supplies and equipment, law books and books of reference, periodicals, traveling expenses, and rent of quarters outside the District of Columbia, \$150,000.

#### SECURITIES AND EXCHANGE COMMISSION

For all authorized expenditures of the Securities and Exchange Commission in performing the duties imposed by law or in pursuance of law and for other personal services, including employment of experts when necessary; contract stenographic reporting services; supplies and equipment; purchase and exchange of law books, books of reference, directories, periodicals, newspaper and press clippings; travel expenses, including the expense of attendance, when specifically authorized by the Commission, at meetings concerned with the work of the Securities and Exchange Commission; garage rental; foreign postage; mileage and witness fees; rent of building and equipment at the seat of government and elsewhere; and other necessary expenses, \$825,000.

For all printing and binding for the Securities and Exchange Commission, \$21,000.

Mr. BUCHANAN. Mr. Speaker, a short explanation of this bill should be sufficient. The activities provided for in this bill were created during the last session of this Congress. The Congress never appropriated and never intended to appropriate sufficient money to carry them through this fiscal year. The money they did provide was sufficient to carry them until this Congress met, in order that we might go into their needs and necessities and make a proper appropriation for the balance of the fiscal year. So, in fact, it is not a deficiency, but a supplemental appropriation, and intended to be so by the Congress.

Now, as to the items, the Budget sent us an estimate of \$480,000 for the Federal Communications Commission. It had for this year only the appropriation made for the old Federal Radio Commission. The act of Congress last year greatly expanded its activities, and prescribed greater duties for it, such as regulation in telephone, telegraph, and cables, and the authority to fix the rates on those utilities, and evaluation of their property; also to prevent discrimination and to prevent refunds. So it was evident that the old appropriation for the Radio Commission alone was not sufficient. Therefore the Budget estimated \$480,000, and the committee after investigation allowed that amount.

Mr. SNELL. Does the gentleman care to yield for a question right there?

Mr. BUCHANAN. Yes, I yield.

Mr. SNELL. As I understand the gentleman's statement, nothing has been given to this new commission except what had been appropriated for the old Radio Commission?

Mr. BUCHANAN. Correct. In other words, the appropriation for the old Radio Commission had passed the House when we passed this bill creating the Federal Communications Commission.

Mr. SNELL. And with the additional duties, it needs the additional money?

Mr. BUCHANAN. Yes.

Mr. JENKINS of Ohio. Will the gentleman yield for a question?

Mr. BUCHANAN. I yield.

Mr. JENKINS of Ohio. I notice in the last two sentences, on page 2, line 17, this language is used:

Which, in the discretion of the Commission, are necessary for the efficient discharge of its responsibilities, and other necessary expenses, \$480,000.

I should like to ask the gentleman whether it has been customary heretofore to allow sums of this size to be distributed in the discretion of the Commission?

Mr. BUCHANAN. These new activities added to it are something that no department of government has had any experience with to amount to anything. The Commission would be compelled to hold hearings in various parts of the country, as to rates, as to the question of discrimination in telephone and telegraph corporations, and so forth, and the Commission is charged with the duty to fix rates. Therefore, this traveling expense is necessary if they are to function properly and perform what we desire them to do. There is nothing new or unusual about that language.

Mr. LANHAM. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. LANHAM. I have no objection to the passage of this resolution, but one or two provisions in it prompt me to predicate an inquiry thereon. There are provisions in this measure for printing and binding for these various agencies. Of course, that is all right, but it seems to me that attention should be called to the fact that there is a great deal of printing being done, perhaps not all by the Government Printing Office, but some of it through mimeograph machines and otherwise, and a great deal of expense being entailed from the standpoint of the Government, in sending out promiscuously daily reports, codes, and other things of these various Government agencies.

Mr. BUCHANAN. And the CONGRESSIONAL RECORD.

Mr. LANHAM. Well, of course, the CONGRESSIONAL RECORD serves a different purpose, but these various reports we can get upon request, when we wish them, and the sending of them to Members of Congress and broadcast over the country to be thrown into the wastebasket must involve considerable expense from the standpoint of material, of the employees in making these printed or mimeographic reports, and also from the standpoint of distribution through the mail. It seems to me that there is an element of economy that might well be observed in restricting this activity to absolutely necessary distribution.

The SPEAKER. The time of the gentleman from Texas [Mr. BUCHANAN] has expired.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to speak for 15 additional minutes.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. LANHAM. I suppose that my experience is the same as the experience of all Members of Congress—that we receive daily a great many of these reports for which we have no need, and which we can get upon request. It seems to me that this matter ought to be brought to the attention of the Committee on Appropriations in the annual supply bills, upon which we are soon to pass, in order that there may be curtailment of unnecessary expenditure in this regard. [Applause.]

Mr. BUCHANAN. No doubt the gentleman has put his finger on some abuses in our Government. These abuses, however, apply to the older departments, the regular established departments of the Government which sometimes engage in unnecessary and uncalled-for propaganda. I am thoroughly in accord with any effort to have a proper investigation made and the evil remedied as quickly as possible. In this bill, however, the entire amount carried is to do necessary printing. They have not yet reached the propaganda stage.

Mr. LANHAM. May I say to my colleague, Mr. Speaker, that I have not predicated my inquiry upon the provisions of this particular bill. I recognize the necessity for the appropriations made here.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BACON. As I understand it, these supplemental appropriations simply permit these activities to be carried on upon the same scale as they will be carried on after the 1st of July, in accordance with the independent offices bill recently passed by the House.

Mr. BUCHANAN. Mr. Speaker, the gentleman's statement is very nearly correct. The deficiency bill now before the House does not carry quite enough funds to enable them to carry on upon the same standard they will be using after the beginning of the next fiscal year which was provided for in the independent offices appropriation bill passed the other day.

Mr. BACON. And the appropriations we are considering today provide simply the money necessary to carry on these activities to the 1st of next July.

Mr. BUCHANAN. Correct. The next item, Mr. Speaker, is that for the National Railroad Adjustment Board. The estimate was \$150,000. We allowed the estimate.

Just a few words of explanation regarding this Board. It was created at the last session of Congress. It is not a governmental board. The members of this Board are not em-

ployees of the Federal Government. They consist of 36 men. Eighteen of the members are selected by the railroad employee organizations and 18 are selected by the railroads themselves. Their duties are to prevent and adjust disputes growing out of the construction of labor agreements and to settle other disputes that arise between the carriers and their employees before they reach the stage of a strike.

The railroads pay the salaries of their 18 representatives and the brotherhoods pay the salaries of their 18 representatives. The total amount of the salaries paid by these organizations will amount to between \$275,000 and \$280,000. The bill we passed last session creating this Board provided that the Government should furnish the Board with its staff, its rent, heat, and light. This appropriation of \$150,000 is to comply with that promise translated into law at the last session of Congress as the Government's contribution toward the prevention of these industrial disturbances that sometimes cost so much.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. O'MALLEY. Does the gentleman know what the Board has accomplished thus far? Have they settled any dispute?

Mr. BUCHANAN. I understand 50 or 60 grievances, perhaps most of them of minor importance, have been adjusted. I call attention further, Mr. Chairman, to the fact that should this Board become deadlocked on any question, the Mediation Board selects a referee to break the deadlock, and both sides must comply with the settlement. What better system could we have to prevent railroad strikes in this country?

Mr. BACON. Mr. Speaker, will the gentleman yield for a further question?

Mr. BUCHANAN. I yield.

Mr. BACON. As I understand, the independent offices appropriation bill carried \$156,000 to cover the activities of this Board for the fiscal year beginning the 1st of next July.

Mr. BUCHANAN. Yes.

Mr. BACON. Then, why is \$150,000 needed for this activity from now until the 1st of July, a period of only 6 months?

Mr. BUCHANAN. Answering the gentleman, Mr. Speaker, I may say this Board never has had any appropriation.

Mr. BACON. How much are they in debt?

Mr. BUCHANAN. They borrowed \$20,000 from the Mediation Board. They borrowed \$6,400 from the railroads. On the basis of their credit they contracted for about \$17,000 worth of furniture. Also, the Board is committed for rent. Therefore, out of this \$150,000 they have already obligated over \$56,000. It is contemplated they will hire 56 employees. Additional furniture must be bought. Furniture, of course, is not a recurring item to come out of the appropriation for next year.

Mr. BACON. The gentleman really thinks they need the full \$150,000 from now to the 1st of next July?

Mr. BUCHANAN. I certainly do; and I may say to my colleague that this \$150,000 is a recognition by Congress and a contribution by this Government in response to the interest the public has in preserving our transportation system in operation and intact at all times, while dealing equitably in every instance with the employees.

The other item, and there is only one, is that for the Securities Exchange Commission. There is no use going into that. It was discussed here fully the other day. The estimate for salaries and expenses was \$975,000. We cut that estimate \$150,000. This places the Commission upon the same proportionate basis for the balance of this fiscal year that they will be on during the next fiscal year under the appropriations made in the independent offices appropriation bill.

Mr. Speaker, the committee has gone into this carefully and the committee believes the amounts carried in this appropriation bill are necessary and ought to be passed.

Mr. TABER. Mr. Speaker, the first item in the bill, the Federal Communications Commission, calls for an increase in the force of the Commission from approximately 121 in the main office in the District of Columbia to 402.



The old Radio Commission had a force of approximately 121. The new Communications Commission will have a force of 402. Frankly, I previously felt, when the independent offices bill was on the floor, that this was too large an increase. I believed that they ought to be able to get along with considerable less, and I offered at that time an amendment which would reduce the appropriation by 20 percent. Of course, that amendment was not agreed to. I feel that this one could undoubtedly be cut 20 percent, and it would still provide funds permitting this Commission to function properly.

It is a new activity, and they are going into the rates and the capital structure of the telephone and telegraph companies in this country. This activity, in my opinion, could be accomplished entirely with less money, but they are going along with it, and we have to see the results obtained in years to come.

The second activity, that of the Board of Mediation, I do not think presented sufficient justification to cover \$150,000. I think undoubtedly they could have covered all of their activity with \$110,000. However, I shall not offer an amendment, because I do not believe that we would succeed in putting across such an amendment.

Mr. SNELL. Will the gentleman yield for a question?

Mr. TABER. I yield to the gentleman from New York.

Mr. SNELL. In connection with the Mediation Board, what new and additional work have they to do over the old Board?

Mr. TABER. They have a lot of work to do in addition to what the old Board did, because they have included the 36 members of the Railroad Adjustment Board, 18 of whom are paid by the railroads and 18 of whom are paid by the employees, but the entire clerical and stenographic force, as well as the referees, if they have to have a fifth party on a board, the two representing each side not being able to agree, have to be paid by the Government.

Mr. SNELL. How much additional cost is this Board going to involve annually over the old Board?

Mr. TABER. Oh, probably \$175,000 to \$200,000.

Mr. SNELL. What was the total cost of the old Board; does the gentleman remember?

Mr. TABER. I have not the figure here, but as I remember it, somewhere around \$125,000.

Mr. SNELL. This is more than double?

Mr. TABER. Oh, yes; there is no question about that.

Mr. SNELL. This is not reducing the Government cost very much?

Mr. TABER. The only advantage is a provision in the act, which could have been put in the old act, requiring the Board to stay in session until they agree. This was probably a good provision.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I understood there were some divisions in the Board of Mediation that were brand new, and that these have been operating since the last Congress without having any appropriation or funds available. Will the gentleman explain just what these functions are?

Mr. TABER. Yes. That is the National Adjustment Board which I just described. There are 18 railroad representatives and 18 employee representatives on this Board. These people have been paid up to this time, and they will be paid in the future, by the railroads and by the employees, but their expenses, such as rent, stenographic and clerical force, and the expense of these referees who may be called in, although none have as yet been called in, to act as arbiters where these boards that are set up of two representing each side cannot agree, are paid by the Government.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. I think probably \$110,000 would cover everything that these people would need; however, it is a new activity and they will have to work out their own record.

The Securities and Exchange Commission is practically a new activity. There were about 100 employees transferred to it from the Federal Trade Commission. They are building up a force now to about 600. You cannot tell exactly, because there was \$150,000 cut off this appropriation and approximately \$300,000 was cut off the estimate which called for 658 employees sent in here by the Budget for the fiscal year 1936 in the independent offices bill. I think the committee did right in cutting \$150,000 off the appropriation for salaries and expenses here, because they will have plenty of money with which to function. The activity of this Commission which ought to be of the most use to the public is the checking and preventing of the peddling of securities from door to door by agents amongst the unsuspecting people of this country. That is where the greatest abuse has been found to lie and where the people are being swindled the most. I hope with these funds they will be able to come in here and show a considerable curtailment in the operations of the swindlers who have been working on the public in this way. Frankly all of these activities represent a tremendous increase in boards, commissions, and employees in the civilian forces of the Government. The increase here over the former operations of the Trade Commission is approximately 600 percent. The activities are somewhat enlarged, but, frankly, I believe after they get organized we will find if we examine the matter closely that they could get along with a great deal less. I believe that the activities of the Communications Commission could be carried on with a great deal less.

I deplore the continual bringing in of deficiencies. We ought to better accommodate ourselves to original appropriations in the regular bills. These are, of course, new activities, but nevertheless we ought to get to the point where we can keep these things down and not be everlastingly increasing them.

Mr. FISH. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. FISH: On page 2, at the end of line 19, add "Provided, That no public official receiving pay from the Federal Government, or member of his or her immediate family, shall receive any pay or compensation for speaking over the radio."

Mr. BUCHANAN. Mr. Speaker, I make a point of order against the amendment.

The SPEAKER. The gentleman will state his point of order.

Mr. BUCHANAN. I make the point of order it is not germane and is legislation on an appropriation bill.

The SPEAKER. The Chair will hear the gentleman from New York on the point of order.

Mr. FISH. Mr. Speaker, this is just a limitation on the expenditure of the money.

The SPEAKER. The gentleman from New York offers an amendment, which reads as follows:

Provided, That no public official receiving pay from the Federal Government, or member of his or her immediate family, shall receive any pay or compensation for speaking over the radio.

It will be observed that this amendment applies to all public officials and is not confined to those for whom this appropriation is made. The Chair, therefore, sustains the point of order on the ground it is not germane.

Mr. BUCHANAN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DISTRICT OF COLUMBIA APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3973) making appropriations for the government of the District of Columbia, and other activities chargeable in



whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; and pending that I should like to arrange for some division of the time in general debate. What arrangement can be made as to time, may I ask the gentleman from Pennsylvania?

Mr. DITTER. Mr. Speaker, may I suggest to the chairman of our subcommittee that we run along this afternoon with general debate and defer any definite agreement as to time until we see how we make out during the afternoon?

Mr. CANNON of Missouri. Then, Mr. Speaker, pending that motion, I ask unanimous consent that the time for general debate this afternoon be equally divided and controlled, one-half by myself and one-half by the gentleman from Pennsylvania.

Mr. DITTER. That is agreeable to me.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3973, the District of Columbia appropriation bill, with Mr. GREENWOOD in the chair.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, before I discuss the provisions of the bill, I want to mention a widespread propaganda now misleading people of the United States.

I refer to the Townsend pension plan. I am in favor of a reasonable, sane, old-age pension. I want to see a proper old-age pension bill passed, one that will care for the aged, who are unable to work, who are dependent and have no income and no one to take care of them—a reasonable pension bill that would pay them at least \$20 a month and as much as \$35 a month to a man and his wife. That is about the figure heretofore recognized as just by this Government.

I want to see that kind of a bill passed in this session of Congress, initiated and passed by the Representatives of the people who have more interest in our constituents back home than any Dr. Townsend you can find between Maine and California.

Who is Dr. Townsend that he should have more interest in the people of the United States than you chosen Representatives of those people? Is Dr. Townsend interested in aged people or in what he gets out of them? At a later date I will furnish you some interesting facts on this subject.

I have some documents here that I want to put in the RECORD in connection with my remarks, both now and later, so, Mr. Chairman, I ask unanimous consent to extend my remarks and put in certain excerpts to which I shall refer.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks and include therein certain excerpts. Is there objection?

There was no objection.

Mr. BLANTON. I have some very interesting disclosures which I have received from Dr. Townsend's California office, which shows that his business is in thriving condition financially.

#### TOWNSEND RECEIPTS LAST OCTOBER \$750,000

I quote from a letter received from Townsend's office last October, the letterhead having at the top "Old Age Revolving Pensions, Ltd.", and "The Townsend Plan", there being printed on it "F. E. Townsend, M. D., Founder and President" and "R. E. Clements, Secretary and Treasurer", and dated from "Long Beach, Calif., 148 American Avenue, October 15, 1934", and addressed to me at Abilene, Tex., the following admissions signed by Dr. Townsend's secretary, to wit:

With reference to the Townsend Clubs which are being organized throughout the Nation, the only demand of members is

that they purchase a booklet at 25 cents, giving a complete analysis of the plan.

It may be of interest to you to know that we have several million signatures on our petitions and this is not omitting your own good State of Texas.

If, as stated by Dr. Townsend's office, on October 15, 1934, he had "several million members" and the only demand he made on them was to require that they pay him 25 cents each for a pamphlet, it is a mere matter of calculation to find out what are his receipts. When I pinned one of his employees down as to what was meant by "several million" he said it meant over 3,000,000. Well, 3,000,000 members at 25 cents each amounts to \$750,000 that Dr. Townsend received from them up to October 15, 1934. And he must have received quite a sum from them since that date.

The Washington press reports that Dr. Townsend, with his staff, are quartered at the Ambassador Hotel. It is the aged poor of the United States who are paying his hotel bills.

I have some very interesting data sent me by one of Dr. Townsend's former employees in California, telling about the use of these funds by Dr. Townsend, and at the proper time I will place the contents of this employee's evidence before my colleagues.

Dr. Townsend says that his plan is for the Government to pay \$200 per month to every person in the United States over 60 years of age, and he claims that there are only 8,000,000 such persons. Taking his own figures, that would mean that our Government would have to raise for this item alone the stupendous sum of \$1,600,000,000 each month, or the aggregate of \$19,200,000,000 per year for civilian pensions.

Why, for the last fiscal year the total revenues of the Government amounted to only \$3,700,000,000, yet for old-age pensions alone Dr. Townsend would pay out each year \$15,500,000,000 more than the entire revenues of the Government amounted to during the last fiscal year.

I quote the following from the Washington Post of Sunday, January 13, 1935:

#### TAX REVENUES AT PEAK LEVEL IN UNITED STATES HISTORY

Government tax collections, aside from those on incomes, are running at the highest levels in history.

Miscellaneous internal revenue, which comprises such taxes as beer and liquor, gasoline, "nuisance levies", and tobacco, running at the rate of \$1,710,000,000 annually, are accounting for nearly a half of the Government's total revenues of approximately \$3,700,000,000 annually.

With our total revenues amounting to only \$3,700,000,000 per annum, Dr. Townsend would have this Government pay out each year \$19,200,000,000 in old-age pensions alone. Where would the Government get the money? How would the Government get the money?

Dr. Townsend is short in his estimate of cost, just as he would be short in raising the money. Our expert actuaries and census authorities say that to pay \$200 per month to every person in the United States over 60 years of age would require at least \$24,000,000,000.

The Associated Press last Monday stated that the American Magazine would carry a statement by Frances Perkins, Secretary of Labor, denouncing the Townsend plan as unsound, stating it would cost \$2,000,000,000 per month, or \$24,000,000,000 per year, and that its supporters are utterly reckless in their figures. Yet, as I do, Secretary Perkins favors a sane, old-age pension.

In the Washington Post last Sunday, January 13, 1935, respecting what Dr. Townsend's plan would cost the District of Columbia alone, appeared the following:

#### ANNUAL COST TO CAPITAL TAXPAYERS FIGURED AT \$106,000,000

Lusk, who is secretary of the Washington Taxpayers Protective Association, said the Townsend plan would cost the taxpayers of Washington more than \$106,000,000 a year.

"In other words", he said, "the total outlay will be three times the present cost of the District government and approximately 35 percent of all the money made by every man, woman, and child in Washington."

In order to pay \$200 per month to every person in the United States over 60 years of age, costing the Government \$24,000,000,000 a year, you would have to place our entire



Membership of 435 Congressmen on the Ways and Means Committee and let them sit 24 hours a day, 365 days in the year, to devise every scheme known to tax experts in order to raise taxes sufficient to pay even half of this \$24,000,000,000 a year.

Dr. Townsend says he is going to raise it by a sales tax. You are not going to let that burden be put upon the shoulders of the people. [Applause.]

You remember the Canadian trip of Mr. Hearst, where they had plenty to eat and plenty to drink, with plenty of entertainment along from Broadway, all financed in efforts to have a sales tax put upon the backs of the people. You did not stand for it. We killed it by a tremendous vote here in this House. Remember how our colleague, LaGuardia, helped us in that fight?

Mrs. KAHN. He is standing for it now.

Mr. BLANTON. Mr. LaGuardia helped Bob DOUGHTON when he led the fight against such a tax on this floor. And we killed the sales tax, and that fight helped to make LaGuardia mayor of New York.

Mrs. KAHN. He is putting one on now.

Mr. BLANTON. That was put onto him by his advisers. You know some advisers of men in authority do much to ruin them. It was the advisers of Woodrow Wilson who caused his premature death. It was advisers of Harding who ruined him. They have ruined many men.

I am advising my constituents that the Townsend plan is nothing in the world but bunk, pure and simple, for them not to let him get any of their money.

Now, I want to mention another subject. Are we going to be able to spend our way back into prosperity by voting and spending billions of dollars for our unborn posterity to finance and pay hereafter? Are we going to bring back normalcy in industry, in business, in that way? I am going to say some things now that I don't believe another man in this House will say. I am going to tell you what I think. Some of you may think as I do, but you won't talk as I do. If we would repeal that foolish law that Congress passed that took from the courts of the United States the power of injunction to stop violations of law, to stop murder, to stop the destruction of property, when labor unions are destroying and murdering, and if we would provide safe means for all labor to work under, provide proper environment, provide, if you please, a proper wage scale, a scale that would permit living under the American standard of living, and then if we would write on every signboard in the United States that from now on the head of every business enterprise in the United States is going to be permitted to run his own business, according to law, and that if he wants to work men who are not union men he has the right to do it if they want to work for him, and that no organization in the world has a right to force his workers against their will to unionize. If we would do these things, we would restore business in the United States, and if Europe too, would wake up and adopt that policy, we would restore business in the whole world, because business will not be restored to normalcy as long as you have some outsider running it. [Applause.]

Some of you think you cannot make that kind of a speech and come back here, but you can. I have been making that kind of a speech for 18 years. My district is as thoroughly organized as any other district in the United States, from the union standpoint, but most of the union men I represent are thinking men, they are men of intelligence, they believe that a worker has the right to join a union, or not to join, just as he pleases. And they do not like taking orders from others. Note the following that appeared in this morning's Washington Post:

PLANT CLOSES, 1,100 JOBLESS WEEP IN VAIN—TEARS OF MERCHANTS AND WORKERS FAIL TO STAY MILL'S LIQUIDATION

BOSTON, January 15.—The pleas and tears of Southbridge workers and merchants today failed to save the jobs of 1,100 employees of the Hamilton Woolen Co., one-fifth of the community's employable population, as stockholders of the corporation overwhelmingly voted for liquidation, 26,589 to 815.

"These people will be thrown upon the world helpless as babes", George W. Grant, resident of Southbridge and stockholder, asserted tearfully. After declaring that the community had been

built "in great measure by the company" and that adjacent towns, with an aggregate population of from 40,000 to 50,000, would be affected, Grant begged for further consideration.

He declared that after "mingling" with the workers, he knew 95 percent would return if not influenced by "outside organizers, who would sacrifice Southbridge or even Boston, to obtain their own ends."

Note that 95 percent of these 1,100 employees wanted to work on, and that it was outside organizers who prevented them and caused the plant to close. Thus 1,100 Americans are kept from working and from earning an honest living for their families because outside organizers interfered with their business, and interfered with the business of this plant, and closed the plant up. That is the secret of all of our trouble; that is what has stagnated business; that is what is keeping us in a depression; and we will be in a depression until we stop these outside organizers from meddling in other people's business.

Here is our colleague from New York [Mr. BLOOM]. Sol is a contractor. He hires men to lay brick. Suppose there are five bricklayers Sol employs and all but one of them can lay 1,200 bricks a day, and they like to lay 1,200 bricks per day, and get paid for it, but the fifth man can lay only 600 bricks per day, and the union will not allow them to lay more than 600 bricks. The four men are thus handicapped by the one who can lay only 600 bricks a day. Sol puts them to work on a wall. They begin to lay the bricks, and the slow man holds back the other four. They are all paid the same wage. Sol is not permitted to pay one of them more than he pays the others. That is the system that is in vogue all over the United States. You cannot pay a man a premium for doing extra work.

The whole business structure of the world is based on competition. The man who can conduct the best business and give the people the most for the least money is the man who has heretofore succeeded in business, but now everything is standardized, with minimum production, minimum hours, maximum pay, on a basis where all of the workmen are equal, regardless of their prowess, their skill, and their ability to perform. You will never get back to normalcy under that sort of system.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SIROVICH. Does my distinguished friend realize that for the past 100 years every liberal and progressive measure which has emancipated labor has been forced by labor upon capital, and that capital has never voluntarily given of itself?

Mr. BLANTON. Do you know that when I practiced law, and fought in courthouses for men's rights, I have always represented the under man, the little man as against the big one?

I have never represented a monopolistic corporation. I have represented the individual. I know what their problems are. I have worked all my life. It does not hurt me to work 16 hours a day, and yet we have a proposition right here in the committee of our good friend from Massachusetts [Mr. CONNERY] to fix a 30-hour week in industry all over the country. That is what is stifling the country. That is what is stifling the world. You have got 4,000,000 men organized to the teeth. Before you can go into a primary all of their various organizations make you sign a questionnaire pledging yourself as to what you will do when Congress meets, if you are elected. If you do not pledge them, you do not get the approval of the union leaders here in Washington.

You are put on their blacklist, unless you give them a hundred-percent obedience. You cannot obey them like Bill Upshaw used to do, obey them 99 times and disobey them once. They will turn against you and beat you, unless you obey them 100 percent.

Mr. SIROVICH. How about the National Economy League?

Mr. BLANTON. Oh, I do not know any more about that than the gentleman does. [Applause and laughter.] The National Economy League is nothing to me; neither it nor any other league has any control over me. On this floor and



in Congress I think and speak my own language and my own thoughts. I am not guided by any of them.

Let me quote you a news item from the Washington Herald of January 7, 1935:

#### UNIONS WILL HARASS UNORGANIZED BAKERS

A campaign of harassment admittedly designed to drive non-union bakery trucks off the streets and unionize the entire baking industry here will be undertaken today by the two bakers' union locals.

Carrying instructions to trail all delivery trucks of the Barker Bakery, Inc., and Sunrise Bakery, Inc., both nonunion, 19 carloads of union men will assemble at Georgia Avenue and W Street NW. This form of picketing was evolved at meetings last week of Local No. 118 and Salesman Union No. 33.

Union leaders notified the police department of their plans and Inspector of Detectives Frank S. W. Burke cautioned all precinct commanders to watch carefully for violence or outbreaks.

The above is occurring in the Capital of the United States Government. Those 19 carloads of union men could destroy property, murder, and maim, and not a court in the land could enjoin them, because this Congress has passed a law, at union labor's command, to take the power of injunction away from the courts respecting union-labor troubles.

Mr. BOILEAU. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOILEAU. Does the gentleman believe that the administration's National Recovery Act has been a failure?

Mr. BLANTON. There are many things I do not like about it. Down at Moran, Tex., there was a splendid young fellow named Marcus H. Ward, who built up a nice little business selling some plumbing equipment and some farm equipment. He died in 1933 and his widow had to take charge of his business and carry on. Respecting the several commodities in her little store, they all come under a different code, and these code authorities come there regularly and collect from her on different commodities before she is allowed to sell them.

She was controlled by one code authority on the few plumbing articles she sold and had to pay them an assessment. Then she was controlled by another code authority on the few farm articles she sold and had to pay them an assessment. Here is the receipt for what she paid them:

#### TEXAS—RECEIPT NO. 812

OCTOBER 17, 1934.

Received from Marcus H. Ward, Moran, Tex., \$5. It is agreed that this payment will be deducted from the regular assessment which will be made under the terms of the approved budget of the divisional code authority.

DIVISIONAL CODE AUTHORITY FOR THE PLUMBING CONTRACTING DIVISION OF THE CONSTRUCTION INDUSTRY.

E. G. BUELTAMAN,

Agent of the State Executive.

And, Mr. Chairman, I want every colleague in this House to now read the voluminous rules and regulations which this code authority, respecting the retail farm-equipment trade only and regarding a small business embracing only a few occasional sales, served on this widow and to which she was forced to comply in order to keep from being prosecuted, to wit:

CENTRAL CODE AUTHORITY, RETAIL FARM-EQUIPMENT TRADE (WESTERN DIVISION), 400 WEST MADISON STREET, CHICAGO, ILL.

Authorized by the National Recovery Administration

OFFICIAL ASSESSMENT NOTICE

OCTOBER 15, 1934.

To: Marcus H. Ward, Moran, Tex.

Code in force: In conformity with the provisions of the Retail Farm Equipment Code, all legal requirements having been met, you are hereby notified that the code is in full effect and that authority has been issued to the retail farm-equipment trade, through its central code authority, to administer and enforce this code. From now on this trade has the right to govern itself, subject to Government supervision as provided in the code, which is the law of our industry.

Assessment authority and notice: By the authority contained in article IV, section C, of the code approved by the President and Administrator January 6, 1934, and amendment 1, approved June 7, 1934, and of the basis of assessment and budget of necessary expenses approved by the Administrator July 2, 1934, you, as a farm-equipment dealer, are hereby notified of your legal assessment for your share of the expenses incident to the preparation, administration, and enforcement of the code on the following approved basis:

New basis of assessment approved July 2, 1934: One-tenth of 1 percent (decimal form .001) on your retail sales volume of farm

equipment, using as a base for this year your retail sales volume for 1933.

(Note.—This form, by order of the Administrator, July 2, 1934, supersedes the old basis announced earlier to the trade of \$10 for the first \$25,000 sales volume and \$5 for each succeeding \$25,000 or major fraction thereof.)

What 1933 volume covers: In estimating your 1933 volume use only that part of your sales volume as described in article II, section A, of the code, which reads as follows:

"Retail (sales) of all equipment and repair parts for the operation, upkeep, and development of the farm, including raising, harvesting, and storing of crops, dairying, stock and poultry raising, or any other agricultural pursuit."

Instructions: On the above basis fill out the following form in duplicate. Mail the original to this office. File the duplicate for your protection. Pay by check, money order, or cash. Make checks payable to David E. Darrah, executive manager.

Fill out this volume form: I/we hereby certify that to the best of my/our knowledge, my/our retail sales volume of farm equipment for 1933 as described in the code was \$\_\_\_\_\_.

Fill out this assessment form: My/our assessment on the above volume for 1933, at the authorized rate of one-tenth of 1 percent, is \$\_\_\_\_\_.

Receipt for payment: It is understood that when my assessment is received by the central code authority, western division, formal receipt for it will be sent to me.

Sign here: Firm name \_\_\_\_\_, Individual signing \_\_\_\_\_, Title \_\_\_\_\_, Street \_\_\_\_\_, City \_\_\_\_\_, County \_\_\_\_\_, State \_\_\_\_\_.

Dealer classification: Check classification under which you operate.

\_\_\_\_\_ Full line service. \_\_\_\_\_ Nonservice. \_\_\_\_\_ Implement and hardware. \_\_\_\_\_ Automotive. \_\_\_\_\_ General store.

CODE ASSESSMENT RIGHTS AND REQUIREMENTS ISSUED BY THE CENTRAL CODE AUTHORITY, RETAIL FARM-EQUIPMENT TRADE (WESTERN DIVISION), JULY 1934

Under the administration orders for mandatory assessment as provided in amendment 1 of the code, the following statement is made for your guidance and protection:

1. The budget for the western division for all code costs of preparation, administration, and enforcement in the 33 States in this division has been submitted to the Administration and approved July 2, 1934. Copy of budget may be secured from this office.

2. The basis or rate of assessment has been submitted to the Administrator, and approved July 2, 1934, as just and equitable for this trade.

3. Payment of assessment must be made within 30 days from date assessment notice is received. Failure to pay within 30 days, no notice of protest as specified in paragraph 4 having been filed, becomes a code violation for you, punishable as such, and legal action for collection can be started and carried through.

4. You have the right of protest within 15 days from date assessment is received on the grounds of (1) the basis of assessment is unjust as applied to you; (2) the basis of assessment is not being followed by this office; (3) you are already contributing to another code embracing your principal line of business; or (4) any other valid reason.

5. You pay code assessment only for "that part of your trade which embraces your principal line of business, subject to such exceptions as N. R. A. may provide."

#### EXCEPTION 1. HARDWARE AND IMPLEMENT DEALERS

By agreement between the central code authority, retail farm equipment trade, the National Recovery Administration, and the board of governors of the retail hardware trade, the following assessment rule for 1934 shall govern assessments for hardware and implement dealers only.

"Any retail hardware dealer whose sales of farm equipment for 1933 exceeded a total of \$2,500 shall pay the minimum assessment presented by the code authority of the retail farm-equipment trade." The words "minimum assessment" means the exact amount figured on your retail sales at the rate of one-tenth of 1 percent.

6. Your statement on page 1 of your 1933 sales volume and total assessment will be accepted as correct unless evidence to the contrary develops. In such a case the central code authority reserves the right to check your books for the correctness of your sales figures.

DAVID E. DARRAH,

Executive Manager.

BASIC FACTS COVERING APPLICATION, ADMINISTRATION, AND COMPLIANCE OF THE RETAIL FARM EQUIPMENT CODE ISSUED BY THE CENTRAL CODE AUTHORITY, WESTERN DIVISION, AUGUST 25, 1934

The code is law: The code is now the law of the retail farm-equipment trade under the National Recovery Act. It was written by your legally elected central code authority, composed exclusively of farm-equipment dealers, elected at your Government's suggestion by the Farm Equipment Dealers' Trade Associations, representing a preponderance of the retail farm-equipment trade. Your Government acted as an advisor to protect the rights of the public.

The code has been approved by the President of the United States and by the National Recovery Administrator, and ordered into operation as the law of our trade. It is now in the hands of the implement dealers of the United States of America for administration and enforcement, making it possible for this trade



of ours to govern itself, and become of greater service to agriculture and more profitable for you through the elimination or control of vicious trade practices, which have made your business unprofitable.

Who comes under the code? Every retail farm-equipment dealer is liable under all provisions of the code. By order of the Administrator June 29, 1934, and again confirmed and explained by the Administrator's statement on August 6, 1934, it was ruled that—

1. Retail farm-equipment dealers are not engaged in strictly local business.
2. Such dealers are engaged in business covering a wide field in the country surrounding the towns in which they operate.
3. Such dealers are usually in competition with dealers located in other towns for their consumer trade.
4. Therefore, all retail farm-equipment dealers, regardless of the size of the town in which they operate or size of their retail sales volume, are subject to all provisions of the retail farm-equipment code, including all assessment, wage and labor, and fair-practice provisions.

(Note.—By this ruling retail farm-equipment dealers in towns of less than 2,500 population are not exempted from any of the provisions of the code.)

Who pays assessments? All retail farm-equipment dealers are liable for assessment and are governed by the above Administrator's orders. Failure to pay within 30 days is a code violation, punishable as such. (See p. 2 of your assessment form for explanation, limitations, and right of appeal.)

What is the code? The code is a law under the N. R. A., making a legal statement, approved by the President and the Administrator, of—

1. A plan for trade self-government by farm-equipment dealers like yourself.
2. A statement of approved trade practices for you to follow, with a method of protecting and perpetuating them.
3. A statement of the most vicious evils for you to avoid, with a method for controlling or eliminating them.
4. A plan for administering, enforcing, and financing the code, in which you have a share.
5. A method for changing or amending the code to solve new problems, for your protection and the advancement of the trade.
6. Full protection for the consumer, for labor, and for the general public whom you serve.

Official copy of the code will be mailed to you upon request. Study it carefully. It is your trade law for your protection.

How is code administered by the trade? With the approval of the Administrator, a complete administration and enforcement organization of implement dealers is being set up by your code authority in all States composed of:

1. Regional boards of implement dealers.
  - a. One for the East.
  - b. One of the Middle States.
  - c. One for the Pacific area.
2. Regional or State committees.
  - a. One for each State or trade territory. All composed of implement dealers.
  3. Local committees.
    - a. One for each local trade territory, composed of one or more counties. There are over 400 of these committees, all composed of implement dealers.

These boards and committees have authority and jurisdiction for administration and enforcement in their respective territories. Any cases of violation which these boards and committees are unable to settle may be passed on by them to the N. R. A. for trial in courts of law. These courts have the power to fix penalty, including fines and imprisonment, if the case in question so warrants it.

How will complaints be made? Regular legal complaints forms will be furnished you from this office or by any of the above committees or by the secretary of your implement dealers' association. Your name as complainant will be held in confidence.

How are violations handled? A complete manual for procedure for handling complaints has been written, with the approval of the Administrator, outlining exact steps to be taken and the authority delegated to the above boards and committees. Copies of this manual will be available for you at this office or from any farm-equipment association secretary or from any of the above compliance boards or committees covering your territory.

Who should make complaints? The code applies to all dealers. Its enforcement on all dealers makes it effective and protects you in your efforts to live up to its requirements. You are injured; your trade is demoralized; the entire industry suffers, when a dealer is allowed to violate the code without being called to account. Enforcement of this code is now in the hands of all implement dealers. You should consider it your duty to yourself and the trade to lay the facts of provable violations before your local compliance committee.

How can conciliations be conducted? The best and most constructive permanent improvement under our code will come through conference and conciliation when dealers meet together to discuss their problems and agree on workable plans under the code. Most violations will be through ignorance of the meaning of the code. Dealers who have violated the code can, in most cases, be instructed at such meetings and their loyal cooperation received.

Who will levy assessments? All assessments must be levied by the central code authority at this office. No other assessment source will be authorized.

Who gets the Blue Eagle? Only dealers who pay their assessment and against whom formal violations have not been proved will receive a Blue Eagle. The Blue Eagle is the property of the Government. It will be removed in all cases of proven violation. Your Blue Eagle will be mailed from this office when your assessment is paid.

How will I figure overhead costs? Under the code retail sales price is wholesale invoice, plus freight, plus overhead. To protect yourself you must know your own individual overhead sales costs. Overhead must be figured on a uniform basis for all dealers. As required in the code and with the approval of the Administrator, we have prepared for you a uniform cost-accounting system covering all items that must be covered in your cost. This plan will be printed as soon as approved by the Administrator and furnished you from this office or from the above boards or committees. In the meantime, where the manufacturers' list price is lower than your individual overhead, plus invoice price, plus transportation costs, you may use it as your retail price.

How will I get code information? The regular trade press has been named official medium for code information. The latest code rulings, interpretations, etc. appear in each issue. You should keep a file of one good trade paper for your own information and protection.

What place is there for local dealers' group meetings? Local club or group meetings of dealers at regular intervals is the very heart of code work. Under the code administration and compliance set-up provision has been made for such local meetings. The secretaries of your State implement dealers' associations have already held hundreds of such meetings. You should attend these meetings and invite your competitors to attend with you. It is your job to keep yourself posted.

Where do implement trade associations fit in? The Government recognized the fact that the implement dealers' associations in the eastern and the national federations represented a preponderant number of all implement dealers and turned over to them the preparation of the code and the setting up of the central code authority. These associations, through their members, have given much time to this work. The central code authority delegated to the associations authority to organize the final administration and enforcement set-ups for all States, under the plan approved by the Government, and thus avoided setting up an organization of scores of field secretaries at prohibitive expense. They are doing this work in splendid shape. In addition, these trade associations have become clearing houses for all code information in a helpful and constructive way.

It is the policy of the central code authority to work as much as possible through implement trade associations that the benefits under the code may be preserved for the trade during the years to come. Every implement dealer should be a member of his trade association, and join in its work under the code, for the good of the trade and for his own benefit. We are building for tomorrow, not just for today.

DAVID E. DARRAH,  
Executive Manager.

And respecting her few items of plumbing equipment, there was another voluminous set of rules and regulations served on her from the Plumbing Code Authority, and she was assessed and had to pay another fee to them, and her life is harassed by them.

In my old home town of Abilene, Tex., there is an enterprising American named "Spencer" who is in the oil business and running a little gasoline plant. He works a number of men under him. He does not produce the kind of gasoline that the Standard and other big companies produce. He manufactures a gasoline of a lower grade that he sells to farmers for their tractors and others; a gasoline that he must sell at a much cheaper price than these standard gasolines. The authorities wrote him and told him he could not sell that gasoline at all unless he sells it at the same price the Standard Oil Co. sells its gasoline.

When he is busy in the morning one of these little shirt-tail Federal agents from Washington will come down there and walk into his place of business and say, "I am a Federal inspector. Get your books out here. I want to see what you have been doing." They tell him they are going to bring him up before the authorities for underselling the big companies, and the first thing you know he will get tired of that Federal agent interference and he will go out of business. And then all of those men working for him are put out of jobs.

Remember the news item this morning about the plant closing near Boston and 1,100 men losing their jobs because some outside organizers interfered with other people's business. No business man is going to invest his time and money in a business that he cannot run himself. He does not want some outsider running his business.



Those stockholders voted to go out of business. Why? They wanted the right to run their own business in this country.

Mr. O'MALLEY. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. O'MALLEY. Does the gentleman think that stockholders should have that power of life and death over the livelihood of workers?

Mr. BLANTON. Oh, I expected that. That is the kind of sharpshooting that any man has to stand for if he makes the speech I am making. The gentleman must not have been here when I began my remarks.

Mr. O'MALLEY. I was right here.

Mr. BLANTON. I began by saying that this Congress should provide proper laws to insure safe environment, safe and proper equipment, and for a standard wage that will permit the American standard of living, and that will insure the employees, in whom I am just as much interested as the gentleman is, to be protected. I have got just as many of them in my district as the gentleman has in his district, and every one of them votes down there, and I have to run the gantlet every time. I go down there with a blacklist from the union leaders in Washington, but the workers in my district reelect me every time. [Applause and laughter.]

Mr. O'MALLEY. Does not the N. R. A. do what the gentleman is proposing should be done by Congress, or is it not supposed to do that?

Mr. BLANTON. I want to say that we must stop this Federal agent interference with our people back home. [Applause.]

Mr. KELLER. What does the gentleman mean by that?

Mr. BLANTON. There is another sharpshooter who probably has signed their questionnaires. He says, "Oh, yes; I will vote for it." [Applause and laughter.] I will guarantee that he has answered "Yes" on every questionnaire they have sent him before the primary. [Applause and laughter.]

A little Federal narcotic inspector came into my home city and went to the office of a splendid doctor, a high-class citizen, who had the confidence of every person who knew him. This little agent said to Dr. Glenn:

I am a Federal narcotic inspector. Get your books out here.

And when Dr. Glenn said:

I am busy right now and have patients waiting.

This agent replied:

That makes no difference; I want to see them now. Let your patients wait. I represent the Government up in Washington. Get your books out here.

He examined the books and said:

I find that on a certain date you overprescribed certain narcotics for Mrs. Glenn.

Yes; that's my wife.

The agent said:

Well, you prescribed too much.

And Dr. Glenn replied:

Oh, but my wife is on her deathbed, with no chance to recover. I am trying to make her last days as peaceful as possible. I am trying to stop that terrible pain she suffers.

And this agent arrogantly said:

It makes no difference; I have got to report you.

Then Dr. Glenn telephoned me and I told him to bring the narcotic agent down to my office. When the narcotic agent found I was going to report him he tried in every possible way to make me believe that he had not insulted Dr. Glenn.

Any doctor in the United States who willfully violates the narcotic laws ought to be sent to the penitentiary, but a high-class doctor who prescribes narcotics to stop the pain of a suffering woman, dying, ought not to have some little agent insulting him and reflecting on his character and standing.

I am getting tired of seeing the rights of American citizens trampled upon by little Federal agents from Washington, and I hope that our great President in the White House will take steps to stop it.

Mr. Chairman, it is an unpleasant task to provide appropriations for the District of Columbia. There is a continual growing clamor each year for more money. If the Budget Bureau, which is the financial agent of the President, were to approve all of the estimates, enlarged each year, requested by the numerous departments of the District government, the Washington people would be overburdened with unbearable taxes, unless the United States Government furnished a great part of the civic expenses for the people here, as it did for so many years in times gone by.

The District Commissioners annually prepare and present to the President's Budget their estimates for increased appropriations. With skillful auditors and experienced advocates they present their justifications. The Budget patiently hears them. The Budget annually grants them a million or more increases. But they are never satisfied. They immediately prepare a campaign to wage before the House Appropriations Committee. The five daily newspapers of Washington immediately begin to fire their big guns. Specially prepared articles at times covering several columns appear each day, reminding Congress that Washington people cannot vote, hence, therefore, they should not pay the taxes citizens in the States pay, and that the Government should grant them all of the money they seek out of the Treasury.

Of course, they never mention the fact that this 10 miles square was specially set apart for the use of this Government, as the seat of government for the United States of America. They do not mention that it was our wise forefathers who saw fit to provide that people who saw fit to reside in the seat and government, and acquire property here, and engage in business pursuits here, and enrich themselves by selling to, renting to, and dealing with Government officials and a hundred thousand Government employees, should not vote, unless they qualified in some State. This same restriction was placed upon 12,000 Army officers and 117,000 enlisted men in our Army. Yet they are taxed and pay their own civic expenses.

Just as soon as members of the committee having the District bill in charge reach Washington they are besieged by reporters from the five Washington newspapers asking for a declaration of intentions regarding all cuts the Budget might make respecting various estimates. If committeemen approve, they are statesmen and fine fellows. If they disapprove, they are attacked, and ridiculed, and belittled, and denounced, and misquoted, and misrepresented.

They lead the good citizens of Washington to believe that such members are unfriendly toward them, and have malice against them, and seek to injure them, when just the contrary is true, and such members are earnestly and sincerely trying to do their duty, and for their right arm would not treat the people of Washington unjustly.

Such misrepresentation of members of the committee by Washington newspapers causes Washington people unjustly to dislike said committeemen, and incites some people to threaten such members and to become their enemies, when there is no reason or excuse whatever for such a situation.

Just as soon as it is learned that the Appropriations Committee has refused to grant the amounts requested by the Commissioners, then resort is had to some Members of Congress not on the committee. The Public Utilities will appeal to some friend in Congress and request that he will lead a fight and offer amendments from the floor to increase appropriations. The school authorities will look up some special friend to some special officer or teacher and persuade him to make a floor fight to increase different items. The police department will urge some close friend in Congress to lead their fight on the floor and try for them to secure increases demanded. The fire department will have some friend to wage a battle in the House for increases they demand. In many cases the Members thus appealed to will know nothing about the facts or justifications, and nothing about the hearings or the patient consideration given by the committee to such matters. And a new burden is placed upon the members of said committee to resist such onslaughts made from the floor.



After the House passes the bill, and as soon as it reaches the Senate, the fight shifts over to that side of the Capitol. The Washington newspapers begin immediately to praise the Senators who will handle the bill there. They will be eulogized daily. Confident predictions will be made that they will grant back every cut the President's Budget made and will allow every cut made by the House of Representatives. And usually all such cuts are restored in the Senate, with practically no debate, and then to preserve the Budget action and to preserve the will of the House the House conferees must carry on their shoulders the burden of insisting on supporting the financial policy of the President.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. After I have discussed this bill I shall be glad to yield.

If you will look on page 26 of the hearings you will find that for 1905 the appropriations for the District of Columbia were \$9,665,785; for 1910 they had grown to \$10,528,291; for 1915 they had increased to \$12,322,539; for 1920 to \$16,329,521; for 1925 to \$27,682,067; while for 1930 they had increased to \$44,540,115; but for 1934 we decreased the appropriations to \$33,073,334, but for the present fiscal year of 1935 Congress appropriated \$36,584,677.

This 1936 bill appropriates the sum of \$39,308,404, and to carry out the recommendation of the President's Budget the Federal contribution is \$5,700,000.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. TABER. Is not that contribution altogether too big?

Mr. BLANTON. I do not believe we should contribute anything. I will leave it to the gentleman to answer, and I will accept whatever the gentleman has to say about it.

Mr. TABER. It is \$5,700,000. It seems to me it is altogether out of line with the lowest tax rate in the United States.

Mr. BLANTON. I agree with my friend. I think the gentleman has sound ideas on everything except political matters. [Laughter.]

No man in this Nation loves his Capital more than I do. I am proud of it. I take great pride in showing it to my constituents when they come here. It is their Capital. I have had a small part in building it up during the last 20 years. I am proud of its 1,200 parks; I am proud of its magnificent buildings; I am proud of all of it. But it is a 10-mile square which was set apart by this Government for the transaction of the Government's business. Our forefathers saw fit to provide by law that the people who live here cannot vote unless they align themselves with State organizations. Our forefathers had the right to do that. The people who came here poor but who now are influential and rich because of the governmental plants here, knew that when they moved to Washington. They knew that when they fixed their domicile here and they came here with their eyes open. They knew what the law was; they knew they could not vote. They knew this was the seat of government.

For years and years in the matter of paving, in the matter of street improvement, in the matter of the sewer system, the water system, all the bridges, like the million-dollar Connecticut Avenue Bridge, the hospitals, the schools, everything here was paid for half by your constituents and half by Washington, 50-50. The Government paid half of it for a while and then they established a 60-40 basis. When I first came to Washington the tax rate was 90 cents on \$100. It was raised then to \$1.10 on the \$100; then it got to \$1.20; then it got to \$1.30; and then \$1.70. Last year the rate was \$1.50 on the hundred.

All libraries owned by individuals are tax exempt. Whether your family library is worth \$100 or \$100,000, it is exempt from taxation. In addition to your library, there is \$1,000 worth of household furnishings exempt from taxation in Washington.

Prior to 2 years ago I could name you piece of property after piece of property in Washington that was not assessed at 50 percent of what it would sell for, 50 percent of what the man would take for it, or 50 percent of what he gave for it. Of course, some of the property was assessed high, but,

on the other hand, lots of it was not assessed for more than 50 percent of its actual value. Every time this Government seeks to take a piece of property the Washington people sit as a jury to assess damages. And we have cases where they made the Government pay 500 percent above its assessed value.

The hearings will show that the District Commissioners arbitrarily last year reduced the assessed values \$80,000,000 and distributed this to the property owners of the District. This year they made another decrease of \$50,000,000 on the assessed valuation.

[Here the gavel fell.]

Mr. JACOBSEN. Mr. Chairman, I yield the gentleman an additional 10 minutes.

Mr. BLANTON. So that this year and last year the assessed value of property in the District of Columbia was arbitrarily reduced \$130,000,000 to benefit the people of Washington.

The water charges were also decreased last year, and the District of Columbia has the finest water in the world. The average family pays \$6.75 per year for 10,000 cubic feet of water. The Government owns the original water conduit in connection with this water system. You will not find finer water in the whole world than here in Washington.

Mr. DONDERO. Will the gentleman compare the tax rate here with other places?

Mr. BLANTON. It is less than the tax rate in any other comparable city in the whole world.

Now, take the sewer service. Where I live I pay \$3 a month to my home city just for the sewer service. You pay nothing in Washington.

All school books and school supplies are furnished free to the children and many lunches are furnished free in the various schools. Instead of the age of admission to the schools being 7 years, as it is in some States, a child may be sent to the Washington schools at 5 years. They have nurses to look after the little fellows so that they will not bother their mothers and fathers at home.

Take all of these beautiful trees around the residences in Washington. Every one of them was furnished free. They do not have to pay anything additional to the \$1.50 per \$100 tax rate.

Mr. McFARLANE. Will the gentleman yield?

Mr. BLANTON. I yield to my colleague.

Mr. McFARLANE. Will the gentleman discuss the rents here?

Mr. BLANTON. They are higher than in any other city in the United States.

The trees are sprayed free. They are pruned, and replaced when they die, without charge.

Take the gathering of ashes. I have to pay for that service at home. Here you do not have to pay anything extra. The same thing is true of garbage and trash. The gathering of garbage and trash is all free. That is, it is paid for out of the \$1.50 tax rate.

Mr. SIROVICH. The rentals ought to be proportionately diminished.

Mr. BLANTON. Certainly. There is no income tax here like there is in some of the States. There is no inheritance tax here like there is down in my State.

In the District, whether your automobile is a Rolls Royce or Ford, you pay \$1 registration fee for license tags. Here you pay \$1 a year to get a driver's license; it is \$3 for a 3-year license. Elsewhere it costs more.

The gasoline tax here is 2 cents. Over in Virginia it is 5 cents a gallon. Down in Tennessee, where our Speaker lives, the gasoline tax is 7 cents. I passed through some States this summer where the gasoline tax was 9 cents per gallon.

Now, I am not an enemy of the District. Some of the finest men in the world live here. I know the business men here and they are big, whole-souled fellows and good scouts. They are good companions and I have enjoyed myself with them. I go to their banquets and I like them all, and I do not believe that the newspapers that make this continual fight here represent the sentiment of the good people of Washington.



The gentleman from New York [Mr. Sirovich] asks whether I own any automobiles here. Yes; I have to keep two.

I keep a big car to show my constituents around the city. Many of my constituents come here. I also keep a little Ford work car to go to the departments. And besides I use many taxicabs. I have been to the departments this morning. It is a lot easier to jump in a cab than to send for your car and find a parking place. I have used taxicabs this morning. We have a provision here that keeps the 20-cent zone, the 30-cent zone, the 50-cent zone, and the 70-cent zone, and protects the people of Washington from being robbed by some of these cabs.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield? Mr. BLANTON. I yield.

Mr. DIRKSEN. The gentleman from Texas, of course, is familiar with the taxicab bill introduced in the last session?

Mr. BLANTON. I voted for it.

Mr. DIRKSEN. Can the gentleman very well justify that static rate of 20 cents and still compel these cabbies to buy a rather expensive kind of liability insurance?

Mr. BLANTON. I will tell the gentleman about that. I hope the gentleman will report that bill again, and I shall help to pass it. I voted for it the last time it was considered. It is a bill that provides liability insurance, and they ought to be put under liability insurance. When they have an accident here they ought to pay for any damage done. I want such a bill passed, and I am going to vote for it; and when you enact such a measure, instead of having 4,000 cabs here, which is 1,000 too many, you will have 3,000. This bill alone will take 1,000 bad cabs off of the streets—cabs that are run by irresponsibles.

[Here the gavel fell.]

Mr. CANNON of Missouri. I yield the gentleman from Texas 10 additional minutes.

Mr. BLANTON. When you pass this bill you will take the irresponsibles off the streets, the ones who are causing most of the accidents, and the 3,000 taxicabs that will be left at 20 cents for the first zone will make a great deal more money than they are making now because more people will ride in them. Some people are afraid to ride in a taxicab now.

I could not use all this time without telling you of the splendid, patriotic, patient, loyal work that your chairman of this subcommittee [Mr. CANNON] and the other members have done; our good friend from Missouri [Mr. CANNON], our good friend from Pennsylvania [Mr. DITTER], our good friend from Iowa [Mr. JACOBSEN], and the other members of this committee who have met with Mr. CANNON in the month of December, before you came here, working on this bill and trying to give you a good bill, fair to the District and fair to the Government of the United States. Mr. CANNON is a most valuable man to this Nation. He is one of the most valuable Representatives in Congress. I have served with him here and have been active with him for 18 years. He is a prince, and I am glad to follow him as my leader.

I do not want to be unfair to a single person in the District of Columbia. I have as many friends, close personal friends, among the people of the District as any man in this House. I know their hearts; they do not want gifts from their Government. They are not in favor of this newspaper propaganda.

Some of the newspapers here are fair respecting all matters except District appropriations. There are some fine newspaper men representing them. There is not a better newspaper in the United States than the Washington Star. In many instances the News is fair. But the Washington Post, the Washington Herald, and the Washington Times have all been very unjust to me. They have misrepresented me. They have attacked me without cause. They have tried to ridicule me because I would not obey their commands. They have tried to belittle me. They have incited Washington people unacquainted with the facts to dislike me, and to believe that I am their enemy, and to write me threatening letters. They have helped to stir up opposition to me in my district. They have helped to cause aspiring politicians in my district to run against me in every election during the past 18 years.

Within the past 2 weeks, influenced and incited by attacks against me in Washington newspapers, I have received numerous letters from Washington people announcing that they will see to it that I have opposition in the next election, and threatening me with defeat. I wish they knew just how little such threats scare me. I wish they knew just what opposition I have surmounted during the past 18 years. I have no fear of elections. I have no fear of political opponents. I perform my duty here with the confident realization that my loyal constituents back home will look after my interests. I have confidence in them. They have confidence in me. So such threats do not scare or deter me.

So that these people who threaten me with defeat may know how I stand with my constituents in my district I might mention that they kept me on their circuit bench 8 years; I then defeated Hon. J. M. Wagstaff for Taylor County's congressional candidate in a preferential primary February 5, 1916; then defeated Congressman W. R. Smith and Hon. R. N. Grisham for election to Sixty-fifth Congress in old Sixteenth District, then embracing 59 counties. After redistricting I was reelected in 1918 from new Seventeenth District, defeating Hon. Oscar Callaway (former Congressman), Hon. William G. Blackmon, and Hon. Joe Adkins; again defeated Grisham in 1920; again defeated Hon. Oscar Callaway, and also Ernest G. Albright, Prof. N. S. Holland, Hon. W. J. Cunningham, and Hon. Joseph B. Dibrell, Jr., in 1922; again defeated Albright in 1924; defeated Judge J. R. Smith in 1926, carrying all 19 counties; ran unsuccessfully for United States Senate in 1928, carrying 79 counties against field of 6 candidates, finishing 12 years in Congress on March 3, 1929; defeated widow of Hon. R. Q. Lee in special election May 20, 1930, for the unexpired term in the Seventy-first Congress; renominated in Democratic primary July 26, 1930, over Hon. Venus Earl Earp, district committeeman of American Legion, by majority of 23,000 votes; reelected to Seventy-second Congress in general election November 4, 1930, without opposition; defeated District Attorney Joe H. Jones in Democratic primary July 23, 1932; reelected without opposition November 8, 1932, to the Seventy-third Congress; defeated Carl O. Hamlin, district judge, and Oscar F. Chastain by a clear majority of 2,096 votes over both opponents in the Democratic primary election on July 28, 1934, carrying all 27 boxes in Chastain's home county of Eastland, all 30 boxes in my home county of Taylor, and every voting box in my old home county of Shackelford.

#### CONSTITUENTS APPROVE DUTY FEARLESSLY PERFORMED

At the time the State of Texas was last redistricted, Oscar F. Chastain, of Eastland, was in the State legislature at Austin and was chairman of the house redistricting committee. This gave him an inside advantage in framing congressional districts in Texas. He helped to engineer through the legislature a redistricting bill, specially framing up on me, which took from my Seventeenth District 10 of my splendid counties and added 3 new counties in which Chastain thought he had a special advantage, one being Erath, where he was born and had many influential relatives, and the others being counties in which he had taught school and had many acquaintances. After thus framing my district, Legislator Chastain immediately announced against me for Congress and began an active campaign.

District Judge Carl O. Hamlin, who for 13 years had been district judge at Breckenridge, and who while drawing a State salary of \$5,000 per year had drawn retired pay, upon presumed disability, of \$150 per month from the Government, being mad because I had helped to cut him and about 3,500 other retired officers off of the Government pay roll and stopped their drawing big pay for presumed disabilities, also announced against me and began a vicious campaign of abuse and misrepresentation.

Both Chastain and Hamlin used Washington attacks on me as their campaign slogans.

As a part of the game, a little irresponsible feature writer from Austin, named Raymond Brooks, went out to Abilene and Cisco, and without consulting Mr. G. Fisk, of the Abilene Times, or Mr. Bernard Hanks, or Mr. Max Bentley, or Mr. Frank Grimes, of the Abilene Reporter-News, all reputable



newspapermen of Abilene, and without consulting Mr. B. A. Butler or Mr. W. H. LaRoque, of Cisco, reputable newspapermen there, Raymond Brooks sent telegraphic news dispatches from both Abilene and Cisco on March 21, 1934, bemoaning me, eulogizing my opponents, and predicting my defeat, and falsely asserted that—

Abilene people are keenly enlivened over the prospect of sweeping Tom BLANTON out of Congress this year—

And glowingly told how very popular Oscar Chastain was in his home county of Eastland, and asserted that—

Chastain was strong in BLANTON's home city.

My opponents caused this false propaganda from Raymond Brooks to be reproduced in many newspapers in my district as news dispatches and paid advertisements.

They reproduced in newspapers many Washington attacks on me.

It was June 25, 1934, before I could finish my congressional duties here in Washington following the adjournment of the last session of Congress, and I had less than a month in which to campaign my new district before the primary of July 28, 1934.

Proving just the opposite of what Raymond Brooks had falsely predicted, I carried every voting precinct in my home city of Abilene against both opponents. I carried all 30 of the voting precincts of my home county of Taylor against both opponents. I carried all 27 of the voting precincts against him in Oscar Chastain's home county of Eastland. In Shackelford County, where I married in 1899, and in which I have not lived since 1903, I carried all nine of the voting precincts against both opponents. I carried all three of the new counties, Erath, Fisher, and Hamilton, which legislator Chastain placed in my new district, thinking it would give him an inside advantage over me. I carried the voting precinct of Bluff Dale, where Oscar Chastain was born. I carried several of the voting precincts in Judge Carl Hamlin's home county of Stephens.

The House having granted me authority to extend by printing excerpts, so that neither Raymond Brooks nor any other feature writer may ever again misrepresent the facts concerning the splendid support my home people give me, and so Washington enemies may know how futile their threats are, I want to show the exact vote in said counties, polled in the last Democratic primary election on July 28, 1934, to wit:

*Certified vote in Taylor County*

Voting precinct	Thomas L. Blanton	Carl O. Hamlin	Oscar F. Chastain
1. Courthouse	316	128	134
2. Fire station, Butternut	702	153	176
3. City auditorium	597	134	126
4. Gowan Motor Co.	573	103	141
5. Fire station, Cedar Street	375	89	106
6. Fire station, Orange Street	390	102	87
7. North Park	118	61	47
8. Hamby	26	4	1
9. Knights of Columbus Hall	109	38	37
10. McMurry filling station	184	46	49
11. Caps-Abilene	38	8	8
12. Tye-Abilene	40	6	10
13. Buffalo Gap	83	39	17
14. Jim Ned	50	6	0
15. Moro	29	7	14
16. Nubia	74	18	14
17. Merkel	542	155	187
18. Guion	52	13	11
19. Shep	94	9	17
20. Potosi	70	22	23
21. Trent	143	23	22
22. Caps-Merkel	18	5	4
23. View	87	7	8
24. Tuscola	151	34	6
25. Lawn	174	29	27
26. Blair	35	16	20
30. Bradshaw	123	8	18
Total	5,428	1,312	1,337

The foregoing is the kind of support my neighbors gave me in my home county of Taylor. The following is the treatment accorded by the neighbors of Oscar Chastain, who framed my district, in his home county:

*Certified vote in Eastland County*

Voting precinct	Thomas L. Blanton	Carl O. Hamlin	Oscar F. Chastain
1. Eastland	348	112	194
2. Ranger	223	150	152
3. Strawn	18	7	6
4. Sabano	23	9	11
5. Cisco	226	79	82
6. Cisco	506	230	223
7. Rising Star	206	50	78
8. Desdemona	63	36	53
9. Pioneer	70	26	34
10. Ranger	40	12	9
11. Kokomo	35	6	8
12. Carbon	268	46	47
13. Corman	232	211	124
14. Long Branch	36	3	7
15. Okra	78	23	26
16. Seranton	78	8	4
17. Nimrod	73	11	7
18. Olden	84	36	25
19. Dotham	40	11	13
20. Romney	28	22	14
21. Carbon	26	7	7
22. Pleasant Hill	33	8	4
23. Staff	36	9	12
24. Cook	46	7	4
25. Ranger East	185	133	147
26. Rising Star East	134	22	57
27. Eastland East	377	88	261
Total	3,522	1,361	1,608

Soon after leaving the University of Texas I began practicing law in Shackelford County. I married there in 1899. Three of my children were born there. I moved from there in 1908. For 8 years I was their circuit judge. They are my old neighbors. By the following vote on July 28, 1934, they gave me a clear majority over both opponents, to wit:

*Certified vote in Shackelford County*

Voting precinct	Thomas L. Blanton	Carl O. Hamlin	Oscar F. Chastain
1. Albany	730	97	73
2. Fort Griffin	51	4	5
3. Moran	295	153	43
4. Post Oak	58	13	9
5. Rock Hill	55	5	1
6. Berryhill	39	11	18
7. Hastings	66	2	7
8. Sedwick	35	7	6
9. Ilex	35	26	5
Total	1,394	318	172

In Judge Carl Hamlin's home county of Stephens I carried the following voting precincts on July 28, 1934, to wit:

Voting precinct	Thomas L. Blanton	Carl O. Hamlin	Oscar F. Chastain
Crystal Falls	25	13	2
Eolian	60	10	1
Lacasa	48	30	5
Harpersville	54	36	4
Pioneer	34	20	2
Eureka	19	18	9
Ivan	48	18	9
Gunsight	38	17	0
Necessity	52	42	3

The foregoing is important to the people of the United States only for the purpose of showing that they cannot always rely on the reports these irresponsible feature writers broadcast in newspapers in an effort to injure a Congressman, and to show these enemies in Washington that their threats to defeat me do not scare me and do not deter me.

In conclusion, Mr. Chairman, I maintain that any Congressman who will earnestly, faithfully, energetically, and conscientiously perform his duties here, without fear and without truckling, he has nothing to fear from his constituents. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. JACOBSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].



Mr. LUDLOW. Mr. Chairman, I am taking advantage of this early opportunity to bring to the attention of the Committee and the country a resolution—House Joint Resolution No. 89—I have introduced which seeks to amend the Constitution of the United States so as to require a plebiscite before a declaration of war, except in the case of attack or invasion, and also to provide for conscription by the Government of war properties in the event of a declaration of war.

The objective of this proposed constitutional amendment is twofold. First, it gives to the rank and file of our citizenship who have to suffer and die and pay the awful costs of war the right to decide whether there shall be a war. Secondly, it takes the profits out of war, and by removing the incentive of those whose hellish business it is to foment wars minimizes the probability of wars in the future.

By exposing the machinations of the munitions manufacturers, President Roosevelt and Senator Nye are rendering a signal service to humanity. If the fruits of their efforts are to be permanently secured for the benefit of posterity, something more than a mere statute will be required. Nothing less than a constitutional amendment will suffice, and the purpose of the resolution I have proposed is to furnish this security to Americans for all time.

Seventeen years after the World War, which was supposed to be a war to save civilization, we need this proposed amendment to save civilization from the munitions manufacturers. Language is impotent to describe the diabolism that creates and fosters wars, with their cataclysm of sorrows, for the sake of dirty financial profits. Senator Nye's condemnation of this iniquitous practice sounded like the wrath of the Almighty when the Senator arose yesterday and made this statement:

The munitions industry actually puts peoples and nations into war and then prolongs the conflict as long as it can because of selfish interest.

The statesmanship of America, without delay, and at the present session of Congress, should take bold and resolute steps to keep America out of future wars.

The world is in a state of economic and political ferment. Seeds of discord are being sown and there are ominous signs that a harvest of strife is in the making. War clouds are lowering on the horizon. Before it is too late, wise and well-considered action should be taken to prevent America's involvement in another war which the perfection of human invention will make the most terrible, the most deadly, the most devastating war of all time.

#### TEXT OF THE PROPOSED AMENDMENT

In my opinion, the best safeguard that can be erected to prevent America from being drawn into future wars is an amendment to the Constitution of the United States such as I am proposing, which provides for the adoption of a new article effective when the same shall be ratified by the legislatures of three-fourths of the States. The proposed new article consists of two sections, as follows:

SECTION 1. Except in the event of attack or invasion the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared the President shall immediately conscript and take over for use by the Government all the public and private war properties, yards, factories, and supplies, together with employees necessary for their operation, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent based on tax values assessed in the year preceding the war.

History shows that as a rule wars are seldom, if ever, the result of popular mandates but are caused by irresistible forces that drag nations into them. Section 1 of my proposed amendment provides that those whose lot it is to be torn from their families and to suffer and die in the event of war shall have a right to say whether there shall be war. That is elemental justice.

Section 2, by providing for the conscription by the Government of war properties in the event of war, will remove the profit incentive to war. Take the profit out of war and there will be few wars. If this section is adopted, the noble objectives of the splendid drive made by President Roosevelt

and Senator NYE's committee to curb the unconscionable activities of munitions manufacturers who traffic in human misery will be permanently and securely fixed in the fundamental law of the land.

#### OBLIGATION WE OWE TO HUMANITY

In the present state of world affairs we owe to humanity no less than to posterity the adoption of this amendment or one similar to it. The agonized cries of war mothers whose sons sleep in the fields of France demand it, in order that they may know that their children did not die in vain. America's share of the direct cost of the World War was \$36,000,000,000, or more than \$50,000 for every day since Christ was born. The indirect cost in mental and bodily suffering, as well as in dollars, is incalculable. Eighty cents of every dollar wrung from the taxpayers for the regular expenses of government goes to pay for wars past and for preparation for wars to come. The depression through which we are passing, with its inconceivable vastness of human woe, is a backwash of war. If statesmanship has not entirely vanished from the earth, now is the time for it to assert itself, lest these things may occur again.

I shall expect to discuss this subject more fully later, and I am only bringing it up now to direct attention to the resolution I have introduced. That resolution has been referred to the Committee on the Judiciary, of which the distinguished gentleman from Texas, Hon. HATTON W. SUMNERS, is chairman. The resolution probably will fail to pass unless it is supported by a Nation-wide manifestation of favorable public opinion. I hope that all persons, groups, and organizations that are interested in this proposed amendment will take prompt action and will send their expressions to their respective Members of Congress, with copies to Judge SUMNERS and myself. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I ask unanimous consent to extend my remarks and to incorporate therein a letter from the president of the Board of Commissioners of the District of Columbia, together with a report from the Superintendent of Markets, Weights, and Measures.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLAND. Mr. Chairman, the matter to which I wish to call attention is of peculiar interest to the District of Columbia, to the people of Washington, and also to the tide-water sections of the States of Maryland, North Carolina, and Virginia. I refer to the condition of the wharves at the municipal fish market and to the need for replacement of the large wharf there which was demolished in 1932. In 1914 there were built three wharves, one known as the "large wharf" and two smaller ones. They were built out of an appropriation of \$50,000. In 1932, because of the deteriorated condition of the largest wharf, it was necessary to tear it down. There are now only two of these wharves, and they are used very largely for agricultural and sea-food products which come from the Chesapeake and its tributaries and also from the waters of North Carolina. Those products come in by boats. The volume of these products brought in by boat is very large. These products embrace fish, oysters, watermelons, canned goods, potatoes, and truck products generally. The approximate average of these commodities which were delivered to the wharves during the last 4 years were: Fresh fish, 2,300,000 pounds; salt fish, 40,000 pounds; oysters in the shell, 45,000 bushels; watermelons, 250,000; potatoes, 50,000 barrels; canned tomatoes, 70,000 cases; grain, 10,000 bushels. Since the large wharf has been torn down, the facilities have been wholly inadequate. The president of the Board of Commissioners advised me that the engineer of the wharf committee informs him that the two existing piers at the fish market are in better condition than the pier which was demolished, and that some of the temporary timber supports which have been in service for 3 years will soon require replacement; also that the progressive concrete deterioration will require continued installation of additional new supports. The replacement of the upper pier within the next 2 years is essential if service at these piers is not to be further curtailed.



Mr. Chairman, since coming here this morning I have learned that there is an appropriation of \$5,000 in the current bill for repairs to some piers. I have endeavored to find out if that appropriation refers to the two piers. I know it does not contemplate the replacement of the large pier. I am advised that it would take \$20,000 to replace the large pier, and \$20,000 additional to restore the existing two to first-class condition. The situation is now such that the small boats that come in sometimes lie two and three deep in tiers along these piers, and have to unload one across the other. It is important to the shipping public that there shall be ready access to these piers in order that these perishable products shall be unloaded quickly after they arrive here. Some of these commodities are sold to wholesalers, and others are sold to the retailer and to the consumer himself, thus serving to keep down the price of such articles to the consumer. Unless restoration is made of these piers it is probable that this trade will be lost. For my part I feel that Washington, located upon the Potomac River, with access to Chesapeake Bay, has a right to its development as a port to which its tributary territory may send its products.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. CULKIN. Does the gentleman know, and I assume he does, that there is a comprehensive report on port improvement at the port of Washington, which involves, I think, a disbursement of about \$3,000,000, recommended by the engineers, with local contribution, which involves the construction of these piers and various betterments and beautification of the water front.

I will say to the gentleman for his information that that report has gone as far, legislatively, as it can, and has been approved by the Committee on Rivers and Harbors.

Mr. BLAND. I think that is excellent.

Mr. CULKIN. The gentleman's mode of attack, I assume under the present set-up, would be the P. W. A.?

Mr. BLAND. It is not my purpose now to offer an amendment to this bill, because the appropriation desired by me has not been considered by the committee, and I think it would need committee consideration. However, it is my hope that this matter, having been brought to the attention of the committee, may be covered by an amendment offered in the Senate to this bill. I am afraid that this small project, that this necessary project, may be lost or materially delayed as part of the larger project. This work is so essential, in my opinion, that I would ask that these improvements be included in the regular appropriation bill and be provided for in the regular way.

Mr. CULKIN. May I say at that point, with the gentleman's permission, that the tonnage for the port of Washington, its importance, and the phase which the gentleman has so ably presented here justify this improvement.

Mr. BLAND. I think they justify the larger improvement, and I think they justify immediately the smaller improvement that I am asking for.

I call attention to the fact that after the loss of the largest pier the revenues fell off. In 1931 the revenues were \$4,093.50; in 1932, \$4,245; in 1933, \$5,195.91; and then the superintendent reports that after the largest pier was demolished there was a decrease of \$1,511.86 from the wharfage collected in the preceding year. There are now patronizing these wharves 76 principal shippers of oysters and fish from Virginia, Maryland, and North Carolina, 129 shippers of watermelons, 57 shippers of potatoes, and 17 shippers of canned tomatoes. The information which comes from the superintendent's office also shows that there has been a demand for lumber that could be imported at these piers. A considerable quantity of lumber has been shipped into Washington by boat and many concerns have desired dockage which could not be furnished, some of which will appear in my extension of remarks. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BLAND. Availing myself of the permission to extend my remarks, I insert at this point a letter to me dated

January 3, 1935, from the president of the Board of Commissioners of the District of Columbia and the report submitted therewith.

Hon. S. O. BLAND,

Chairman Committee on Merchant Marine,  
Radio, and Fisheries,  
Washington, D. C.

MY DEAR MR. BLAND: Reply is made to your letter of December 24, 1934, in regard to the reconstruction of the upper pier at the municipal fish market on Water Street SW.

The engineer of the wharf committee informs me that the two existing piers at the fish market are in little better condition than the pier which was demolished and that some of the temporary timber supports which have been in service for 3 years will soon require replacement. Progressive concrete deterioration will also require continued installation of additional new supports. The replacement of the upper pier within the next 2 years is essential if the service of these piers is not to be further curtailed.

In regard to the volume of business that has been handled over these piers during the last few years, your attention is invited to the attached copy of a report by the superintendent of weights, measures, and markets.

Very sincerely yours,

M. C. HAZEN,  
President Board of Commissioners of the District of Columbia.

JANUARY 2, 1935.

In re facilities at fish wharves.

Commissioner HAZEN:

Report: In 1914 three concrete piers were constructed at the Municipal Fish Wharf and Market from an appropriation of \$50,000 for that purpose. The three piers were each 60 feet wide and 100 feet, 120 feet, and 184 feet long, respectively. In 1932 the longest of the three piers, having been found upon examination by engineers to have become deteriorated to such an extent that it was unsafe, was torn down, leaving only the two small piers available for use. Examination of the latter piers by engineers indicates that they have disintegrated to such an extent that they are now unsafe for heavy loads, and that it will be necessary to replace them within 3 or 4 years.

The wharves in question are used largely for docking boats bringing fish, oysters, watermelons, potatoes, canned goods, and other miscellaneous farm products to Washington from eastern Virginia, southern Maryland, and eastern North Carolina. The volume of products brought in by boat from the sections named is quite large. The approximate average per year of commodities named delivered to the wharves during the last 4 years were:

Fresh fish	.....pounds..	2,300,000
Salt fish	.....do.....	40,000
Oysters in shells	.....bushels..	45,000
Watermelons	.....	250,000
Potatoes	.....barrels..	50,000
Canned tomatoes	.....cases..	70,000
Grain	.....bushels..	10,000

Fish, oysters, watermelons, and potatoes which are brought to the wharves by boat are sold at wholesale to merchants and to a considerable extent at retail directly to consumers. Maintenance of these wharves offers an outlet for such products coming from those sections of Virginia and Maryland not having convenient rail facilities and offer the cheapest possible means of transportation to the Washington market. Thus it is that people of the District of Columbia are able to obtain such products as are brought to the fish wharves at lower prices than from other sources. The existence of the wharves also maintains keen competition and effectively prevents any combination among local seafood dealers to increase prices. No other place is available for docking boats bringing such products to the District of Columbia market, hence maintaining adequate facilities at this point is extremely important and beneficial to the general public in the District.

Since one pier was torn down in 1932, as stated, facilities offered by the two remaining piers have been extremely inadequate for the proper accommodation of boats desiring dockage space. Only about 10 boats of the size usually coming to the wharves can dock at the 2 small piers now in use.

During most of the year, beginning August 1, 1933, and ending July 31, 1934, many more boats were at the wharves daily than could be accommodated with dockage space as indicated by the number of boats on the dates named as follows. For brevity, the number of boats is omitted. They show:

In August, 518 boats, ranging from 11 on 2 days to 23 on 1 day; in September, 519, ranging from 12 on 1 day to 32 on 1 day; in October, 199, ranging from 11 on 1 day to 17 on another day; in November, 293, ranging from 11 on 3 days to 25 on 1 day; in December, 315, ranging from 11 on 3 days to 23 in 1 day; in January 1934, 231, ranging from 11 on 3 days to 17 on 2 days; in March, 153, ranging from 11 on 2 days to 15 on 2 days; in April, 64, ranging from 11 on 1 day to 14 on 2 days; in May, 88 on 7 days, ranging from 11 on 1 day to 14 on 1 day; in June, 38, and in July, 185, ranging from 11 on 2 days to 18 in 1 day.

By reason of the present overcrowded conditions it is often impossible to furnish dockage space with any reasonable degree of promptness to boats desiring to unload commodities. It is not unusual for some of them to have to wait from 2 to 4 days before being able to obtain berths. It is often necessary for boats to tie up in from two to three tiers, and in such cases, in order to unload products at all, same must be carried across from one to two boats.



Prior to demolition of the largest of the three piers, business at the wharves had, on the average, increased during the past several years as indicated by the amount of wharfage collected each year, as follows:

1931	\$4,093.53
1932	4,245.02
1933	5,195.91
1934	3,684.05

It will be observed that for the year ending June 30, 1934, after the larger wharf was demolished, there was a decrease of \$1,511.86 in wharfage collected over the preceding year. This decrease is due largely to lack of sufficient accommodations for boats at the two existing piers.

(There follows the names of the principal shippers of oysters and fish, watermelons, potatoes, and canned goods, which, for brevity, are omitted.)

Prior to condemnation and demolition of the large pier in 1932 a large amount of sugar was shipped to Washington, which docked at said pier. The average amount was about 6,000 tons per year, said to be more than one-half of the sugar used in Washington. Such shipments of sugar by boat were necessarily discontinued after the large pier was demolished, because of inability to furnish dockage space.

In the past a considerable quantity of lumber has also been shipped to Washington by boat. Existing facilities are not adequate to provide for such business. Some of this lumber came from the Pacific coast and some from other points. Among concerns desiring dockage which could not be furnished are:

The Hammond Lumber Co., Chicago, Ill.  
The Long Bell Lumber Co., Longview, Wash.  
St. Andrews Bay Lumber Co., Sherman, Fla.  
Krauss Bros. Lumber Co., Seattle, Wash.  
Robert N. Sizer & Co., New York City.  
Captain O. Sutherland, Baltimore, Md.  
Rosslyn Steel & Cement Co., Rosslyn, Va.

It has been stated upon what appears to be good authority that there is ordinarily used in Washington about 50,000,000 feet of lumber per year from the Pacific coast now brought to Baltimore by boat and reshipped to Washington by rail. It is stated upon the same authority that a saving in transportation and handling cost of about \$4 per 1,000 feet would result if there were sufficient docking space at Washington wharves for boats bringing this lumber from the western coast.

Mr. DITTER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, the gentleman from Maine [Mr. BREWSTER] in the course of the debate on the independent offices bill viewed with justified alarm the effect of the Cuban Tariff Trade Treaty on the Maine potato grower. The result of this trade treaty with Cuba, made in the name of the President by the Secretary of State, sitting in close communion with the representatives of Cuba, seriously affects every potato grower in America. I have asked for time today to discuss another phase of this treaty-making power which threatens to destroy a great American industry.

#### THE MATCH INDUSTRY

I wish to give the House a birdseye view of this branch of national production. The match industry of America gives steady employment to more than 35,000 wage earners actually engaged in the manufacture of matches. It consumed, in the year 1933, American lumber and other products amounting in value to \$10,433,000. It is safe to say that from the industry itself, and the various activities which produce its raw materials, more than 100,000 Americans obtain their livelihood. This industry, which is highly competitive, has had hard sledding in recent years. The American manufacturer has had to compete with the low-priced labor of the Scandinavian countries, Japan, and the forced labor of Soviet Russia.

#### FINDINGS OF TARIFF COMMISSION

It is interesting to note that on April 5, 1934, the Tariff Commission, under the provisions of section 3E of the National Industrial Recovery Act, made a report to the President with respect to matches. It found, among other things, that matches are imported almost entirely from the countries above named and that they are sold at prices below the cost of production in the United States. The Tariff Commission also found that the domestic cost of production has been increased materially as a result of the operations of the N. R. A. It further found that the import of matches seriously endangers the operation of the domestic industry under the code. The Commission then made certain recommendations to the President, which were enacted into law in the last session. The match industry, as a result of this legisla-

tion, seemed to be entering on happier times. But its security was not for long. Its situation is now definitely threatened by the tariff treaty-making power which Congress in an evil hour delegated to the administration.

Mr. FISH. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. FISH. Is the gentleman going to put into the RECORD the cost of production in Japan?

Mr. CULKIN. I do not have those figures, except as to the daily wage paid in that country.

Mr. FISH. Does the gentleman know that the wage scale in Japan is approximately 20 cents a day?

Mr. CULKIN. Yes. It is under 20 cents.

Mr. FISH. And that they can feed themselves at 5 or 6 cents a day?

Mr. CULKIN. I will say to the gentleman that the male laborer in Japan works 12 hours a day and gets approximately 17 cents. The female operative gets approximately 9 cents a day and works 12 hours.

Mr. FISH. I believe the gentleman is correct. I wish the gentleman would emphasize that, because this is an entirely new factor that has developed in the last year only.

Mr. CULKIN. I will say to the gentleman from New York that, by reason of the low cost of production, Japan has already preempted several industrial fields. A notable example of this is the textile industry. I was told recently that the Japanese have driven English textiles out of India; that they have driven American, German, and English textiles out of the South American market. I am creditably informed that they not only produce a garment identical in weave and texture to the competing product but they forge the labels of recognized American brands and counterfeit the boxes which carry their trade mark. Japan is able to sell this product at 25 percent less than the cost of American production. This, by reason of the fact that wages paid in Japan are as I have stated. We will need a strong national policy to meet this situation. With a free trader at the helm in the State Department, I am naturally pessimistic about getting results.

A meeting was recently held at the country estate of Samuel Untermyer, a multimillionaire lawyer, who is attorney for the International Match Corporation. Fifteen empire builders came from England, Sweden, and other European countries to attend the conference. The purpose of the conference was to write a match tariff for the United States. Norman H. Davis, who is the ambassador at large for the present administration, was represented at the meeting by an international firm of public accountants. Mr. Davis looms large in the international activities of the present administration. He appeared at this meeting as general chairman of a committee in charge of the three Kreuger companies. I do not wish to impugn the integrity of Mr. Davis. I do question the propriety of his participating, even by proxy, in this type of meeting where an attempt is being made to undermine and destroy an essential American industry. The procedure in this case is open to the same objection made by the gentleman from Maine to the treaty with Cuba. Obviously, until the deed is accomplished and the treaty made, the public will know little about it.

#### THE SWEDISH MATCH TRUST

The Swedish Match Trust, through the diplomatic officers of Sweden, now asks our Government to cut the match tariff in half and for an import quota on safety matches of five millions gross, or over 60 percent of the American consumption of that type of matches. These interests are backed by certain international bankers who have rooked the American investor to the tune of \$200,000,000 in the sale of worthless Kreuger securities. These apostles of high finance are now seeking to destroy the match industry of America. The House knows that the Swedish Match Trust was brought into being by the manipulations of Ivar Kreuger, greatest industrial swindler of this or any other generation. This man left a trail of corruption around the world. The Swedish Match Trust was his evil creation and over two hundred millions of American savings were lost in this enterprise. Kreuger is said to be dead but his lobbying tactics are kept alive



through the trust which he organized. The only Americans who ever made any money out of Kreuger were certain banking groups, lobbyists, and such like. These same groups now have the temerity to attempt to recreate for the benefit of the Swedish bankers the match monopoly once enjoyed by the swindler Kreuger.

SECRETARY HULL AN AVOWED FREE TRADER

Under the Trade Treaty Act of last spring, Congress gave blanket and plenary powers to the President to negotiate these treaties. The President of necessity delegates the negotiation of these treaties to the distinguished Secretary of State, Mr. Cordell Hull. I have the greatest respect for Mr. Cordell Hull. I have the highest regard for his character and for his idealism, but he is a free trader, unashamed and unafraid. In times of national stress we need realists in the public service, not men who are pursuing ideals. Those of us who sat in the House with him recall his repeated statements that all tariffs were destructive of national good. It may now be told that Professor Moley's retirement from the office of Assistant Secretary of State was due to the fact that the editor of *Today* was and is a vigorous nationalist. He battled bravely with his erstwhile chief for the continuance of American standards of living. By a strange turn in the wheel of fate Cordell Hull is now in the driver's seat on tariff matters. With his tariff viewpoint he is more dangerous to American labor, agriculture, and industry than a wilderness of "brain trusters." But Congress at one fell swoop delegated to him the power to make tariffs.

Mr. SHORT. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. SHORT. Does the gentleman think that this Congress has any right or authority under the Constitution to delegate its powers?

Mr. CULKIN. I am coming to that later. I am very firmly of the opinion that the recent decision in the oil case settles that question, that Congress had no such power, but I will discuss it more fully later.

We may assume that he will be true to his mistaken idealism and whenever possible the distinguished Secretary of State will wipe out tariff barriers. This procedure, in my opinion, will largely destroy American industry and American labor. Unemployment in America already menaces our very existence. Under this type of tariff making it will increase it by leaps and bounds. There is but one solution to this situation in which we find ourselves. The Congress should repeal the tariff-making power delegated to the President and resume its constitutional duty in the tariff-making field. [Applause]. Pending this the responsible Democratic leadership of the Nation should scrutinize these tariff treaties carefully, and by appeal to the President save American industry and agriculture from being destroyed by an influx of foreign products. It is obvious that the match maker of America drawing \$3 or \$4 a day for 7 hours cannot compete with the forced labor of Soviet Russia or that of Japan and Sweden where wages are nominal and the daily grind without limit. This same proposition applies to every phase of American production, whether industrial or agricultural.

It is my judgment that the Supreme Court, following its reasoning in the oil case, will, if given an opportunity, declare this nefarious act a nullity. American industry, labor, and agriculture are in grave danger and the issue should be promptly adjudicated by the high court.

May I say, in conclusion, that in this and every other surrender of its constitutional power to the Executive, Congress has abused itself and laid the foundations of a fascism, where there will be neither personal liberty nor representative government. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 1 hour to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, if there were only more new Members in the Chamber at this time, I should like to disabuse their minds of some of the things that were stated here a little while ago by the distinguished gentleman and philosopher from the sagebrush country of Texas. I shall never forget as a Member of the Seventy-third Congress,

listening with deep interest to the statement that was made at that time about how we frittered away the money of the people of this country and lavished it upon the people of the District of Columbia, despite the fact that they have here an automobile license fee of \$1, that they have a so-called "municipal" tax rate of only \$1.50 per hundred, that they get free garbage disposal and garbage collection, that trees are planted and parks provided where they may bask in the shade or gambol on the greensward, all at the expense of the Federal Government. I listened with a degree of rapture when I heard that first statement 2 years ago, and I assumed that most of the people who are permanent residents in the District of Columbia had horns, or should have had horns, on the basis of that recital.

At that time I was assigned as a member of the Committee on the District of Columbia. It did not do any particular good out in my district. I could not make any votes by doing something for the people here, but yet, like good soldiers, we are supposed to take on these tasks that are assigned to us by virtue of our Membership in this House, even though we may not like them.

After a while I found that the conditions that obtained here were not nearly so bad as they were painted by the distinguished gentleman from Texas. I assumed at that time that my constituency in Illinois would want me to do precisely the same thing for the people in the District of Columbia that they would want me to do for those folks out there. So all during the Seventy-third Congress I followed that theory, and I think we got pretty fair results.

I shall not undertake to disabuse the minds of new Members at this time as to what does or does not obtain with respect to the benefits derived by the people of this District from Uncle Sam, except to say that when you look at the amount appropriated, be it \$37,000,000, \$38,000,000, or \$39,000,000, remember that after all Congress is only reappropriating the District's own money. Last year something like \$5,700,000 was contributed by the Federal Government as a lump sum toward the expenses of the District of Columbia, but most of the money in this appropriation bill comes from the pockets of the taxpayers in the District. The lump sum of \$5,700,000 supposedly represents displacement of prospective revenues by Government property in the District, and if we live until doomsday there will be no unanimity of opinion as to whether that sum is too much or too little.

Remember, also, that the residents of the District do not have a vote; and let me make it clear right here and now, parenthetically, that I am not in favor of extending the right of franchise to the people of the District because of the great transient population here and of the difficulties that might arise from their enfranchisement. I still say that if by virtue of the fact they have no vote but have to look to this body for government, and generally have to take such crumbs as too often come to the stepchild, you will find as you go along that it is not a one-sided picture. There will be opportunity for me to address myself to this question, however, at greater length at some later time. Right now I wish to follow and continue the thread of the argument delineated on a moment ago by the gentleman from New York [Mr. CULKIN] with respect to reciprocal trade.

I suppose if somebody with a mathematical turn of mind were to put a ruler on the CONGRESSIONAL RECORD of the Seventy-third Congress he probably would find that more space and more words had been devoted to the subject of agriculture than to any other subject that has been discussed upon this floor. Now, I do not happen to be a dirt farmer, nor do I happen to be an industrialist. I am not so sure but what freedom from both prejudices makes it possible for one to get a rather dispassionate view of this reciprocal trade agreement plan that was fastened upon the country by the Seventy-third Congress. In response to the question of constitutionality raised by the gentleman from Missouri a little while ago, my own humble opinion is that, after all, it may be entirely constitutional. It departs somewhat from the facts in the oil controversy upon which the Supreme Court passed a week or two ago in that their decision concerned itself largely with the fact that



there was no rule of conduct or guidance laid down by which the President was circumscribed in controlling the oil industry. When we study the Reciprocal Trade Agreement Act, however, we find that Congress did set down some rule of conduct. First of all, the President may not transfer goods from the free list to the dutiable list and vice versa; and limitations were further imposed upon the President in that he could not alter existing rates by more than 50 per cent. At least, there was a rule of conduct. At least, there are these limits so that it is not strictly on all fours with the hot-oil decision and it may be held constitutional.

But getting back to reciprocal trade agreements, I say I am not a farmer and I am not an industrialist. I do not like to venture too far from shore on matters of agriculture. I believe that once before I told the story of the gentleman who was holding forth at great length on agriculture, telling that he was a dirt farmer and could do anything that was done on a farm respecting all these various operations. When he got through a small boy in the back of the room asked him:

"Mister, did you say you could do everything that was done on a farm?"

He said, "Yes, sir."

"Well", said the boy, "mister, did you ever lay an egg?"

And so with that kind of repartee, coming from somebody who knows something about agriculture as a dirt farmer, I do not want to venture too far from shore on the farm problem. However, back in the days of Pharaoh there was a farm problem. You will recall the story of the 7 years in which there was an abundance in Egypt and then the 7 lean years; and you will recall the dream of Pharaoh as related by the Scriptural story, a dream in which he saw 7 well-fleshed kine come up out of the river to be swallowed by 7 ill-fleshed kine; how the 7 poor ears of corn devoured the 7 good ears. There came a period of plenty in Egypt which endured for 7 years, followed by 7 years of famine, and, finally, Pharaoh set Joseph over the kingdom and allowed him to appoint a great personnel and conduct a kind of warehousing and distribution system. Joseph did not undertake to solve the farm problem in Egypt by exporting a lot of fancy pyramids, camel's hair shawls, camels, and such things; he solved it by treating it as an internal-warehousing and distribution problem.

So they had the farm problem thousands of years ago, and the world has had the farm problem ever since. Those Members who were here last session will remember that a great deal of time was devoted to the subject of agricultural emergency. I voted for every one of those agricultural emergency bills; and if they were again to come into this Chamber under similar conditions I would do precisely the same thing all over, because I thought then and still think that there was justification for an emergency program. But a distinction must be made between an emergency program and a program that is supposed to be lasting and durable. At the time the distinguished Secretary of Agriculture, Mr. Wallace, sent his emergency program to this body, after laying out this system of processing taxes and cash benefits on tobacco, cotton, wheat, corn, hogs, and other commodities, he announced informally in his pamphlet, *America Must Choose*, that we had only one of two alternatives, either continued regimentation in this country or expanded foreign outlets, with the qualification that there is a middle ground.

It seems to me that this was a rather unsound premise I could not follow, because I do not believe it necessarily follows if we do not have outlets in foreign countries that we still have to regiment all the divers farmers in the United States of America and curtail acreage as a permanent policy, and to that subject I want to address my attention for just a little while.

It is a rather singular thing that, insofar as our own country is concerned, and its problems of surpluses, it goes back to the Civil War, and too often we underestimate some of these historical forces that have been operating to create problems of the present day. An examination of these forces may elucidate some aspects of the problems that concern us

at the present time. You will recall from your reading of American history that, after the Civil War was over, we had dissipated a slave empire, embracing 4,000,000 slaves and 350,000 landowners of the South. Those slaves became competitors in a free labor market. Lots of them came up into the State of Illinois and other Northern States, and there they received the same rate of pay that any other labor received for similar work. This competition became operative immediately after the Civil War, and tended to raise wages.

Moreover when this great reservoir of slave labor had been ended in the South there was a great impetus to the invention of labor-saving devices in order to till and cultivate the same amount of land and at the same time keep down the agricultural overhead. That was historical item no. 1 that made a great contribution to the agricultural problem of today, because it raised wages, stimulated invention, promoted expansion, made agriculture a business.

The second historical fact was the closing of the frontier. This country had a Secretary of the Treasury in 1827 who with a great flourish stated that we had enough arable domain to last us for 500 years, and yet just 70 years after the gentleman made this statement all the good, arable land in this country had been preempted or taken over; so he missed his guess by approximately 430 years.

What happens when the frontier closes on itself? What happens when people shift from the eastern seaboard over to the other side of the Alleghenies, then to the Mississippi Valley, and finally get out to the Pacific coast and find that the frontier has disappeared? The forces of population begin to close on themselves and, like some centripetal force, develop a fixed and stable civilization. Your frontier is gone. It is no longer possible for a man who exhausts a tract of land in one locality to move elsewhere without paying for the domain. The net result is that land values go up and agriculture becomes a settled thing, to be developed and expanded. First the dissipation of the great slave empire, and secondly the closing of the frontier, and third the machine-invention age that we had right after the Civil War were all factors in this development. There was the Oliver chilled-steel plow, the binder, the reaper, and then in gradual succession, the potato digger, the corn binder, the threshing machine, the grain thresher, and all of those implements for greater production and lower costs. This made a business man and capitalist out of the farmer, and he had to march down the road shoulder to shoulder with the banker. Everyone knows that you cannot stock a farm with livestock and proper equipment unless you have money. The result was when land values went up and when it became necessary because of the invention of machinery for the farmer to march down the road together with the banker, by the same token he had to become mindful of the agricultural forces that were operative in other parts of the world.

It was not any longer a case of scratching the soil and bartering his corn, cotton, or tobacco to the gentleman who ran a store at the crossroads and receive in return some shoes, clothing, and other store goods. Those days were over. He became a business man, interested in every factor that might affect the price of products which he produced. He was concerned about the things that were taking place in other countries. This means, translated into terms of every-day conduct, that if they had a premature frost in the Argentine tomorrow morning, it might affect their wheat crop, we would know it in Washington within 6 hours. You will then see the grain market getting bullish or bearish, depending on the effect. If they have a premature frost in Russia, we would know it on the board of trade in Peoria just as fast as the wires can get it to us. You would see prices go either up or down. So we do live in a kind of a well-integrated world. That can be proved every day and every day.

So you have the traditional forces of machine production on the farm, the closing of the frontier, the raising of agricultural prices, then the dissipation of the slave-labor empire in the South, and finally geographic specialization of agriculture.



When Andrew Jackson was President of this country, six of the leading corn-producing States were below the Mason-Dixon line. Where are they now? They are all out in the Central West—Iowa, Illinois, Indiana, and Nebraska. Along about 1850 the center of wheat production was at Columbus, Ohio. You can drive there today from Washington in about 12 or 14 hours with your automobile. Where is it now? It is on the other side of Kansas City.

What is the reason for the shifting of these production centers? It is due to specialization. They raise cotton in the South; they raise tobacco in the South; they raise hogs and corn out in my country; they raise wheat in Nebraska, Kansas, Oklahoma, and the Northwest. So we have become a very specialized kind of country so far as agriculture is concerned.

There you have the basic forces that were operative two generations ago and that were tending to build up a surplus sooner or later—this very surplus that haunted us 2 years ago and made experts cudgel their brains for a solution.

Now may I point out a singularity in connection with this agricultural development. In 1895 we produced about 2,500,000,000 bushels of corn in this country. Our population at that time was 70,000,000 people. In 1931, with 122,000,000 population, we produced 2,750,000,000 bushels of corn. This was a 9-percent increase in the production of corn, whereas our population almost doubled in the same period. Does that not induce a most acute question as to why the production of corn, for instance, did not keep pace with population? It might be well to carefully examine the changes and forces that were operative during that period and see whether they furnish a clue to the cause and whether our attempts to find relief for agriculture through reciprocal-trade treaties go to the heart of the farm problem.

I think the very first clue, as we search for specific reasons, is the decrease in the domestic consumption of meat, as well as in the export of meat.

For those not identified with the Central West, it is too difficult to believe, and yet 85 percent of all the corn crop that is grown out in the 11 major corn-producing States is marketed on the hoof or in the form of meat. They throw that corn into hogs and into beef, and then it is marketed in the form of meat and livestock. This is the way they get rid of it. So there is about 15 percent of the crop available for odds and ends on the farm and for industrial purposes.

Now, in proportion, as the export of meat is curtailed, so you curtail the outlet for grain. If you curtail, voluntarily or involuntarily, the domestic consumption of meat by new-fangled diets or other food fads, or by substitutes, the number of animals needed to supply the people of this country with meat decreases and then, a priori, your outlet for grain decreases.

From 1921 to 1928, our average annual exports of beef and pork were about 439,000,000 pounds. Two years ago, when we were on the decline, it was only 270,000,000 pounds. This is a differential of about 140,000,000 pounds, and what does it mean? It means that much of the outlet for corn and wheat and that sort of thing has been taken away. Now, if you go on with your static production of grain and you take away all these animals that furnish an outlet, what happens? You just pour that into the surplus. There is no magic or mystery about that. You do not have to be a Houdini or a Chinaman or anything of that sort to understand that if you take away 140,000,000 pounds of meat in the domestic and export market, you just curtail the market for grain to that extent and then it goes into the surplus. This is item no. 1.

Item no. 2 concerns itself with the decrease in the number of horses and mules in this country. We read these facts about decreasing farm animals rather casually, and we pay very little attention to their economic implications, and yet the effects on agriculture are very readily discernible when you stop to think about it.

In 1915 we had 29,000,000 horses and mules in this country. How many have we today, according to the Department of Agriculture? About 18,000,000. There has been a decrease of 11,000,000. Why? Oh, that does not necessarily have to be

answered. You can answer it for yourself, because everybody knows the answer. It is the displacement of farm animals by the truck, the tractor, and the motor car. Remember the days when the farmers in your country—and I believe my good friend, Governor PIERCE, can recite this out of his own personal experience—used to drive to town, whether it was 8 or 10 or 12 miles, in one of these old Democrat buggies with a fringe around the top and a beribboned whip in the whip socket and a spirited team of horses clamping at the bit. You do not see them any more. How do they go to town now? In Dodges, Buicks, Fords, and Chevrolets. This is one of the reasons why we do not have as many horses and mules by 11,000,000 as we had just a half generation ago. The use of trucks instead of big, strapping draft animals and the use of tractors ahead of the plough are the other reasons.

Now, the implication of the displacement of horses and mules by trucks, tractors, and motor cars is just this: Take away 11,000,000, multiply that by four, because it takes about 4 acres to subsist a good, healthy Missouri mule or a good work horse from one end of the year to the other, and that makes 44,000,000 acres that have been displaced by the automobile, the tractor, and the truck. There has not been any compensation whatever along the line for this loss in behalf of the farmer. The farmer has accepted it stoically as a rather progressive condition, just the result of a movement forward in this as in other sections of the world. The fact remains, however, that we have displaced 44,000,000 acres when we have taken 11,000,000 horses and mules and displaced them with some kind of mechanical power. What happens to the grain and the agricultural commodities raised on this 44,000,000 acres? If there is no outlet, it goes into the surplus, and I am sure even Mr. Wallace is quite in accord with this appraisal of one of the basic factors contributing to a surplus.

So there you have item no. 2—displacement of horses and mules with machinery and tractive power.

Now, item no. 3 concerns itself with the displacement of our own farm products by competitive products that are imported from other countries, and let me enumerate some of those that are imported.

One of the reasons I was so earnestly opposed to this Cuban reciprocal agreement was that there was a possibility of reducing the existing duty by 50 percent upon blackstrap molasses. Goodness knows, the duty on it now does not amount to a tinker's whoop, and yet they have authority to reduce it by 50 percent.

Now let me show you the economic and the agricultural implication of the importation of hundreds of millions of gallons of this blackstrap molasses that comes from Cuba. In fact, blackstrap comes not only from Cuba, but it comes from every sugar-producing, offshore island, probably, within 1,000 or 2,000 miles of this country. You call up the Department of Internal Revenue and ask them how much alcohol was manufactured in this country in 1932 for the fiscal year, and the chances are they will tell you that 142,000,000 gallons of industrial alcohol was produced. How much of that was made of molasses and how much was made from grain? They will tell you that 85 percent of all the industrial alcohol produced in the fiscal year 1932 was made from blackstrap molasses imported from these islands. How much from grain? Oh, about 3½ or 4 percent. Think of it! On the one hand, through the instrumentality of the Agricultural Adjustment Act, they go to the farmers in my district and say to them, "You reduce your corn production by 20 percent, you reduce the production of hogs by 25 percent, and teach birth control to the rest of them, so that we may get this hog and corn production down to some kind of level where it can be absorbed in this country", and then in the next breath, we let all this competitive sirup come from Cuba and Puerto Rico and the Philippine Islands, directly in competition with the corn that is grown out in our States. Now, does this make good, consistent sense? On the one hand we say to the farmers, "Reduce", and on the other, through a reciprocal agreement, we say, "Send in all this stuff you want, even though it is in direct competition with corn and other commodities grown in the Central West."



What difference does that make? Send it in. They did this, and you see what has been done. By letting these competitive products come into this country we have seriously impaired the industrial market for the farmer so far as corn is concerned, and this industrial market was the only certain market that still remained for him.

Perhaps I am a bit obtuse, and yet I have never heard a single satisfactory explanation of a program which pays cash benefits to farmers to permit acreage to stand idle and in the same breath declares: "We are sorry, but we will have to take 85 percent of that 142,000,000 gallons of industrial alcohol which might well be made of corn and give it to Cuba and take it away from you."

Mr. PIERCE. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PIERCE. Will the gentleman tell us the rest of the reciprocal trade on lard and other products? Do not confine yourself to one article. I am much interested in the gentleman's remarks. I am a real farmer, living on my farm, and I know this thing from beginning to end. What is the remedy, will the gentleman tell us?

Mr. McFARLANE. Will the gentleman yield?

Mr. DIRKSEN. Briefly.

Mr. McFARLANE. Is it not true that one of the largest distilleries in the country is located in the gentleman's district?

Mr. DIRKSEN. That is quite true, but they do not produce industrial alcohol. The seaboard and New Orleans get that. The distilleries in my district make drinking alcohol—not the kind that you pour into radiators or rub on your ankle. I am considering the taking away of the farmer's market. The gentleman may also be interested to know that for a time an effort was being made to convert molasses into potable alcohol for mixture with liquor.

Mr. CRAWFORD. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CRAWFORD. Why is it that they produce the bulk of this alcohol on the seaboard?

Mr. DIRKSEN. Well, transportation enters into it. For another thing, the duty on molasses is negligible; moreover, the cost of the molasses is very low, and, finally, in the process of making alcohol it takes about 8 hours to convert molasses as against 30 hours for grain. Hence the overhead is much lower.

Mr. CRAWFORD. Can the gentleman tell us the cost of shipping a bushel of grain from Des Moines, Iowa, to Peoria, compared with the shipping of a gallon of alcohol from the Philippine Islands to New York?

Mr. DIRKSEN. I am sorry, but I have not that information. I shall be glad to try to get it and put it into the RECORD, if it can be obtained. I should like to know, myself. The matter has never been presented to me before.

Going along with a few more of these competitive items, take tapioca starch. On the 29th of January they will close the hearings before the reciprocal-trade group or the reciprocity-information committee on negotiations with the Netherland Empire, preparatory to entering into a trade agreement with the Netherlands. Now, when you talk to the Netherland Empire, remember that it includes not only that little chunk of country in Europe but Netherland Guiana, and Netherland Indies, and Netherland West Indies as well. Down in those Dutch islands they produce what is known as "cassava" and "arrow root", and "sago starch", and "tapioca starch." They can produce twice as much per acre as we can of starch from corn in our country. Labor, as has been testified here before, commands about 20 cents a day. Land is worth \$5 an acre. Yield is high, production prolific, costs low. The result is they export that starch to this country for the purpose of making glue and adhesives, in the production of yeast, and for use in confectioneries and textile mills. They send it over in great quantities, duty free. Back in 1908 it was not a problem. Only 20,000,000 pounds of such tapioca starch came in; but in 1933, which, by the way, was a depression year, when one would think that the importation would fall off sharply, it increased steadily, so that in that year we imported 192,-

000,000 pounds of tapioca starch, every pound of it in direct competition with these great lush, abundant fields of corn that wave their pennons in the breeze out in Illinois and Iowa and the western country in the spring and in the summer. One hundred and ninety-two million pounds! Just convert it into terms of 28 pounds of starch per bushel and use your own arithmetic, in figuring out how many million bushels of corn are thereby displaced. It comes in duty free. There is no duty on it, and the reason why I cordially disapprove of any proposed reciprocal trade agreement affecting such starch is that the authority to make such treaties was extended to the President for 3 years, and once those treaties are imposed, you know very well that they will not be revised before that time. The Corn Belt will therefore be foreclosed for 3 years in its hope for some relief. They are sending great quantities of that tapioca starch into this country from the other side of the earth, in direct competition with the very corn farmer whom we have asked to reduce his acreage by 20 percent. Is that reason, is that logic? Is there consistency in that kind of a program?

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Certainly.

Mr. DITTER. Is the gentleman familiar with the competitive conditions in connection with the proposed Netherland agreement insofar as the cement industry is concerned?

Mr. DIRKSEN. They have not progressed to that state as yet, but I shall touch upon that directly. Here, then, you have these specific causes for our surplus—decrease in the domestic consumption of meat; decrease in the export of our meat, taking away the outlet for the farmers' corn; the decrease in horses and mules, displaced by automobile tractor power, taking away a great portion of his market; and, third, the importation of these competitive products like blackstrap, tapioca starch, in direct competition with corn. Finally, there was a substantial expansion of acreage during the World War. Is there, then, any mystery about this surplus? It was an inevitable development; and when it became so acute in 1932 and 1933 as to send prices for farm products to ruinous levels, we had to resort to artificial remedies to keep the farmer going.

Now, getting back to Mr. Wallace, he assumed the premise in that little book called "America Must Choose" that either we had to find an outlet in foreign countries or we had to regiment. He did not say that there might be something else, although he did speak about a middle ground. For myself, however, I still cherish the notion that we do not have to find a foreign outlet. We can follow an intense kind of nationalism for our own welfare and for the protection of the standard of living of labor in this country, and still do not have to regiment either. Under these reciprocal-trade agreements, as pointed out, what are the possibilities? They can enter into a trade treaty with any country and can reduce existing duty by as much as 50 percent, with a limitation, of course, that nothing is to be transferred from the free list to the dutiable list or vice versa.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. WOODRUFF. As a matter of fact, cannot the President also under the flexible clause of the 1930 Tariff Act first reduce the tariff on a product by 50 percent, and then, under the legislation that the gentleman is speaking of, again reduce that tariff 50 percent?

Mr. DIRKSEN. I presume the gentleman is right.

Mr. WOODRUFF. The gentleman is right, because the President has already done that in regard to sugar.

Mr. DIRKSEN. That is correct. What are the possibilities for an outlet of agricultural products in foreign trade? If you want to read something rather illuminating, look at the recent experience of Etienne Flandin, the new Premier of France, the young man who is trying to make over that country. Last year—that is, 1933—they had a wheat crop of 362,000,000 bushels in France, the largest since 1907. The year before the wheat crop was 334,000,000 bushels, and the



year before that about 340,000,000 bushels. They had probably thirty or forty million bushels of surplus wheat per year during the last 3 or 4 years. In fact, their surplus began in 1929. Think of all the artificial devices, such as subsidies, controls, and that sort of thing, they resorted to in order to correct the problem, and yet it is just as aggravated now as it ever was. France was never a wheat-exporting nation, but she is rapidly becoming so, especially when she produces an exportable surplus for 5 successive years. So what hope have we of sending them any of our flour or wheat under such conditions? What hope have we of sending bacon and hams and lard to Denmark, when her hog production has increased 500 percent since the war? Mr. Wallace said that we lost 8 percent of our English market for bacon and ham just a few years back. There is no mystery about that. It does not cost nearly as much to ship from Denmark to England as from America to England, and because of their increase in pork production they have taken away our market, and we shall not get it back unless we are willing to enter into price competition in the world market.

Germany, too, has subsidized the production of heavy hogs, so that her production of pork products has more than doubled since the war. What hope is there of sending our agricultural surpluses to her when she is making a determined effort to become self-contained?

When we enter a world price-competition market, we begin to sadly impair the living standards in this country. The man who sells cheapest in the world market gets the business, and to meet world prices we must junk the N. R. A., reduce costs, and lower the standard of living. Is there anyone who cares to follow such a course?

Now, what is the outlet in Italy for agricultural commodities? Up to 2 years ago they bought, on an average, about 51,000,000 bushels of wheat every year. Did they buy it last year or the year before? Indeed not. Mussolini has been draining the swamps along the Tiber River. He has been expanding the agricultural acreage of his country, so that Italy is going to become an exporter, as a matter of fact, having enough for her own needs, and an exportable surplus. What is the situation in Canada?

Mr. McFARLANE. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McFARLANE. Does not the gentleman believe that the tariffs that those countries have had, have had more to do with that than the reasons which the gentleman has given?

Mr. DIRKSEN. I doubt it very much. I was so glad to see in the newspaper the other day a statement by a well-known Englishman, who was feeling so happy over the fact that now Britain was lodged behind a high tariff wall and could take care of her people, while over in this country we try to break it down and open up the greatest market in this country to a lot of foreign competition.

Now, I want to come to that directly. But here is Russia increasing her wheat in a single year from about 780,000,000 bushels to 1,200,000,000; Canada increasing by leaps and bounds. So gradually the whole world has in a way been shut off, because the world is becoming agricultural minded, and they do not need our commodities.

Now, do not misunderstand. There are some outlets in Cuba for bacon and lard. There are some outlets in France for some of our lard, bacon, and ham if we will take some of their wine, which is in competition with the wine growers of California. There is some chance of exporting some of our commodities to Spain if we will accept her products in competition with some of our own industries. Do not misunderstand. There is still some outlet, but the premise I want to follow is that we are going to come out on the short end of this deal because we are not the shrewd traders that they are. Finally we will open up our great American markets to all comers, for the sake of insubstantial benefits and say, "Come and get it."

So when you survey the agricultural development in Norway, Sweden, Denmark, Spain, and Germany where they subsidize the production of heavy hogs, in Russia and in the Argentine, you can see what we are facing. We have

even bought beef for the C. C. C. camps from the Argentine. We had to go down there and buy several million pounds because the Secretary of War said that we did not produce the right kind of beef for those boys. We had to bring that in, in competition with our own farmers, and at the same time we watched their great struggle to keep alive and try to preserve some market for their own products, ultimately having to be subsidized by the Federal Government.

Mr. PIERCE. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PIERCE. The matter of Argentine beef for the C. C. C. camps is not now being used in those camps.

Mr. DIRKSEN. No; it is not. But the gentleman will remember that the Secretary did buy several million pounds of that beef.

Mr. PIERCE. Oh, yes!

Mr. DIRKSEN. And there was a lot of noise made in the well of this House about it.

Mr. WOODRUFF. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. WOODRUFF. The gentleman is aware, of course, that there are constant importations of canned and other beef brought into this country from both the Argentine and Brazil?

Mr. DIRKSEN. Oh, without doubt.

Mr. WOODRUFF. Constantly.

Mr. DIRKSEN. The records of the Department of Commerce will indicate the importation of all those products, even though we have a surplus of those products in our own country at the present time.

So as you survey the world's trade structure there is little cause to believe that there is a great outlet for our surplus products, but somebody believes there is and from that belief prepares to give something in return—a something far more valuable than anything which other nations have to offer. We cannot expect them to take our ham and our bacon and some of these other things that we produce without taking something from them also.

You know what the old historical theory is of this exchange of products. It goes back to the time of Adam Smith, the old English economist, in his *Wealth of Nations*, and his theory of a division of production. Let America, if it has more efficiency in one line, produce it and send it to Europe, and, if they over there have particular efficiency in some other line, let them send us their products in which they are more efficient. I say to you now that I would fully subscribe to that old theory of the division of labor, even on an international basis, in the days of the handicraft guilds, but not today. There has been a development of the mass-production principle, which was carried to all corners of the earth. It is the thing that has dumped the free traders over. In the day of Adam Smith, in England, who was one of the first free traders, there was perhaps some justification for producing things here and sending them over there and accepting their things in return, but that does not obtain today, because when you go to Germany, for instance, they will find this thing that they interpret as "Fordism", the principle of mass production and standardization of industry, by Henry Ford, as well exemplified there as it is in this country. Go to Japan and what will they talk about? They are talking about the principle of "Fordism." We did not have it a generation ago when there was a kind of leisure in this country, but today they are all trying to industrialize on this theory of mass and quantity production. It is a kind of virus that not only goes into industry but it goes into every integral element of our national life.

Mr. RICH. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RICH. Does the gentleman know that at the present time they are discussing a reciprocal trade agreement with Holland on cement?

Mr. DIRKSEN. Oh, yes; and with Belgium and some of the other countries.

Mr. SHORT. And with Switzerland on the chemical industry.

Mr. DIRKSEN. Yes; and on watches and clocks and electric meters and other products.



Mr. SHORT. And with Mexico and other countries as pertains to the production of lead and zinc?

Mr. DIRKSEN. Right.

Mr. SHORT. Two-thirds of the United States production is in my district in southwest Missouri.

Mr. DIRKSEN. That is right; but it is the old division of labor by the free traders. Therefore, to carry out this reciprocal trade doctrine, we buy from them and they buy from us. Then comes along the high-power, high-speed machine, and this idea of mass production and it just sort of dumps the Adam Smith theory overboard.

Witness somewhat of the concern of the Department of State: Within the last few months Japan's increase in the exportation of woolen piece goods to Oceania, Latin America, and elsewhere, has been 780 percent—such an increase in 1 single year. And who wants to put the embargo on them? Nobody but Great Britain; a gentleman from Lancashire, where they have the great calico mills, stood up in Parliament and said:

Gentlemen, it will be just 10 years and these mills will shut down and the work will be transferred to Japan and the Orient, because they are going to take the business.

Fordism, mass production! Why, go to Czechoslovakia and see what they are doing with shoes. Go to New York City or go to Chicago and see these Bata shoe stores. They sell better shoes cheaper than they can be produced in this country and they are getting the business. You know why the chain stores get business: Because there is the lure of low price. You know that as well as I do. The same principle applies with respect to the world markets and we are greatly outdistanced because these other countries have adopted the principles of mass production coupled with low labor costs. I am willing to wager that you can go to any 10-cent store in the city of Washington and the chances are 99 to 1 that on whatever incandescent light globe you bought would be the statement that it was manufactured in Japan. Why? Because they can do it cheaper. They have the same machinery; and then they have something else. What is it? There is no N. R. A. in Japan. They work 55 and 60 hours a week. The employees make from 9 cents to 40 cents a day, depending on whether it is a male or female operative. Finally, there has been a depreciation of the yen. So all the advantages are on the side of Japan, including the mass-production principle; and we cannot hold a candle to them in the effort to compete in the world price market. That is the reason they are getting the business. Look at the increase in Japan's export of woolen piece goods. In the case of rayon the increase has been 322 percent, and yet there are rayon mills in Lewisburg, Pa., and other sections of the country working probably half time, because there is no business. Yet Japan does an unprecedented business. Why? Low price. We are trying to match wits with a country which has all the advantages, and then sooner or later I suppose we are going to come along and make some trade adjustments with these people, in the hope that we, like Lazarus of old, may pick up a few of the foreign-trade crumbs.

In my district is a little pottery factory which employs about 100 people. The manager of this factory said he wished I would come down to Washington and see what I could do about the importation of pottery from Japan. I asked him why. He told me the Japanese were importing into this country thousands of cases and barrels of pottery a month. He told me the Japanese could manufacture one of these great brown stone beer pitchers and six steins to sell at retail at a profit, at a price which was less than the cost of manufacture in this pottery factory in my district, and still pay the duty.

Now, do you think we can get anywhere in the competitive world market trying to sell against people who can produce so cheaply as all that?

What has been said about Japan applies also to Switzerland; it applies to Belgium; it applies to Holland; it applies to Germany. It applies to the principal countries of this globe; and these are the people with whom we are going to compete under reciprocal trade treaties and permit their stuff to enter our market.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SHORT. The tomato-canning industry is one of the largest in the Ozark region in the southern part of Missouri and the northern part of Arkansas. It is also a great industry in the States of New York, Indiana, Florida, Texas, and California. Unless we maintain a high protective tariff on these commodities, both on the raw and on the canned product, this great industry will be absolutely paralyzed as it was before we passed the Hawley-Smoot tariff law when we placed a duty upon both the raw and the manufactured product to protect us from imports from southern countries and from Mexico.

Mr. DIRKSEN. I think the gentleman from Missouri is quite correct.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DONDERO. I think the farmers of the United States, regardless of their political faith, want to know why it was necessary to reduce the acreage on corn 20 percent and on tobacco 40 percent when at the same time we imported \$677,000,000 worth of agricultural products, which was the figure for last year.

Mr. DIRKSEN. Yes; of all kinds, including cheese, milk, powdered and frozen eggs from China, and everything under the sun.

Mr. PIERCE. Does the gentleman want to build a wall around the country?

Mr. DIRKSEN. Let me get to that subject in a minute.

Mr. PIERCE. Is that the gentleman's idea?

Mr. DIRKSEN. It is pretty nearly my idea, depending on what the developments will be in the next 6 months or year. I am a rather confirmed nationalist, because I am afraid we will make it possible to impair the standard of living of American labor when we try to put them on the same basis as in foreign countries.

Mr. PIERCE. Can the gentleman picture the fate of this Nation if there is a wall built around it in connection with its world trade?

Mr. DIRKSEN. Yes. I think that is all a lot of hokey about this world trade. I think we ought to talk a little more about internal economy. That is what we need. [Applause.]

Mr. SHORT. I agree absolutely with the gentleman. There is no use in putting out a garden unless you build a fence high enough around it to keep the neighbors' chickens out.

Mr. FADDIS. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. Would the gentleman agree to limit the immense salaries paid to some of the corporation officials?

Mr. DIRKSEN. That does not enter into the matter. That is just one of those red herrings which is drawn across the trail to divert the argument, and has nothing to do with the matter. Whether a corporation official gets \$20,000 or \$100,000 a year does not affect the situation. It is one of those smoke screens that is put out in order to divert from the main argument.

May I go on with my theory? We are negotiating a treaty with Belgium and, among other things, do you know what they want to do? They want to give Belgium, for instance, 1 percent of the cement production in this country and then reduce the tariff 50 percent. They manufacture cement in Spain, they manufacture it in Holland, and they manufacture it in Great Britain. So Belgium is only one country. Under the theory and the sense of direction that the reciprocity committee now has, they may barter away 10 percent of our production—several hundred thousand barrels a year. Of course, we are going to get something in return, so we will get to that subject right now.

Mr. Chairman, foreign trade has to be evaluated in terms of labor. They send over lead pencils from Japan. The wood in a lead pencil is scarcely of any value. The graphite or the lead in a pencil has scarcely any value. It becomes valuable only when you put the hands of human beings to



the wood that is in the forest and to the graphite that is in the earth and give it form, shape, and substance, producing a lead pencil, that it has any commercial value. Labor makes it valuable, and nothing else. Coal in the ground has no value whatsoever until the roughened hands of man address themselves to the job of digging it out. You could freeze to death unless human hands first brought it out so that you could put it in the stove and derive warmth.

So when you talk about foreign products, whether it is pottery, whether it is woolen goods, or whether it is rayon or lead pencils does not make any difference. It just represents so much Japanese, Czechoslovakian, or Belgian labor that is sent to this country. That is all it is.

Now, then, we are going to open up our market for them, and we are going to get some benefits in return. That is why they call it reciprocal. In other words, you scratch my back and I will scratch yours. It will be preferential. What are we doing? We are eliminating one American customer and taking foreign customer in return. May I show you how I think that will work?

Out in Illinois we have a number of watch factories. They have watch factories up in Massachusetts and elsewhere. In this contemplated treaty with Switzerland we are going to let watches, clocks, electric meters, and all that sort of thing come in under this preferential treaty and throw off 50 percent of the tariff. What happens in the watch industry that has a pay roll of \$65,000,000 a year? Mind you, Switzerland has most of the world's watch business, including 50 percent of the watch business of this country. We are going to say to them, "Well, boys, some of you take your dinner buckets and go home, because we are going to let some of these watches come in from Switzerland. But they are going to buy some ham, they are going to buy some bacon, and they are going to buy some cotton goods, so we are going to buy their watches and clocks." That will mean that some of the boys in the watch industry might just as well pick up their dinner buckets and go home, because we are going to barter away a great deal of their market. By such a bargain, we have just added a few more to the long, sinister, and tragic line of unemployed in this country, and in return we have taken on one foreign customer in Switzerland. I would not kick if their standard of living compared to ours. A Chinaman can subsist on a bowl of rice and a cup of tea a day.

The same thing is true of Japan and every other country on the other side. Their standard of living is infinitely lower, and I certainly will not assent to or give my approval to any plan which seeks to do that to the American laboring man. When our laboring man has the purchasing power he will sit down to a breakfast of three or four eggs, some ham or bacon, a half loaf of bread, washing it down with a gallon of coffee, then stretch himself several times and be ready for a day's work. I am not willing to swap that kind of a customer for one who can subsist on a bowl of rice and a cup of tea every 24 hours.

Mr. RABAUT. Will the gentleman yield?

Mr. DIRKSEN. I am not willing to make that kind of a swap. I yield to the gentleman from Michigan.

Mr. RABAUT. Is it not true that under the protective system the very money that was made off the sweat of American labor was used to start a capitalistic system in the form of established factories in all European countries in direct competition to American labor and incidentally his bench was exported over there, too?

Mr. DIRKSEN. What have the moral derelictions of a few of the capitalistic to do with this argument? That is just another red herring across the trail and has not anything to do with the matter.

Mr. RABAUT. But it is the herring that affects American labor.

Mr. DIRKSEN. But why condemn the whole strata of American management and industry for the sake of the moral derelictions of a few, because, after all, you cannot condemn them all any more than the bank debacle invites us to condemn every banker in the country, although there were a number of bankers who fell in that class.

Mr. RABAUT. The results that we have had to face makes very little of the gentleman's expression "just a few."

Mr. DIRKSEN. Will the gentleman enumerate them, outside of the so-called "international bankers" that the gentleman from Ohio [Mr. TRUXAL] likes to pick on up there? There are some, but, in proportion to the total number, not so very many; at least, they have not come to my attention and I have listened with an abiding kind of patience here day after day to the great reproaches that were hurled against the international bankers as if they were the whole kit and caboodle. It seems to me, numerically, they are a very small proportion of the total number of good, solid, honest, substantial business men who are of unimpeachable integrity. The trouble is there has been a disposition to say too little for business and too much against business. This has been one of the troubles. [Applause.]

But getting back to this division of labor, here we are going to swap a good, sod-busting, two-fisted Missourian, like those who live in DEWEY SHORT's district, for a Chinaman in the marts of world trade. We are going to trade off one of these good, two-fisted Michiganders, like those who live in ROY WOODRUFF's district, for somebody over in Czechoslovakia who will eat just enough to keep body and soul together and no more.

You have got to reduce imports to a basis of labor. This is all it is, and nothing more, and this is what we are going to throw away, and this is what we are going to take chances on when we allow all these industrial products to come in, take our own men out of industry and say that at least we get an outlet over on the other side, although we have not added to the sum total of American purchasing power one nickel's worth.

Now, one should end up where he started, and so we have to go way back into the days of Joseph and Pharaoh in Egypt. There it was a case of warehousing and distribution. It was not a case of bringing in a lot of obelisks from some other country or a lot of fancy pyramids and sending out a flock of camels. No; it was just a case of distribution, and this is the thing that Henry Wallace is talking about at the present time when he talks about the balance between industry and agriculture.

I venture to say that if we could read the Secretary's mind aright, he probably has a different notion about this reciprocal trade business than he had when he wrote that memorable little booklet, *America Must Choose*. You see from his public statements that he is getting more and more away from that, and I doubt whether he has a very deep and abiding faith in this thing that we call reciprocal trade, taking a chance on opening up our own market and swapping one of our own citizens and his purchasing power for purchasing power over on the other side of the ocean.

Now, while I think about it, I want to mention silver just briefly because I see my good friend the gentleman from Texas [Mr. DRES] is in the Chamber.

You will recall that we tried to cure some of our agricultural difficulties by the first silver bill that was introduced—to accept silver at a 25-percent premium over world price in return for agricultural commodities. This, apparently, did not satisfy the silverites, as you gentlemen of the previous Congress will recall, so finally we passed the silver-purchase bill. You remember the great argument that was made here about the wonderful lot of good it would do to tamper with our monetary system in order to find a world outlet and, somehow, give great momentum and impetus to purchasing power. Well, what has happened, as a matter of fact? My good friend the gentleman from Texas [Mr. DRES] can tell you this himself. The visible supplies of silver in Shanghai in the last 6 months have decreased from 467,000,000 ounces to 287,000,000, and did you see what the Chinese did over here at the State Department? They have sent a note of protest to this country within the last few weeks on our silver arrangement. Why? Oh, because we are destroying the economy of China because prices are going down, because unemployment is running rampant over there, and we are harvesting just the obverse of all these beneficent results that were prophesied and anticipated



right in the Well of this House when the Silver Purchase Act of 1934 was considered. So when we tamper with the monetary system, when we tamper with imports and exports and seek to tear down the wall and say, "Boys, send her over; we will absorb it even though it will put our own folks out of work", we usually do not get the benevolent results we have anticipated; at least, we have not up to this time, and I am beginning to view askance and become very skeptical about all these great experiments that we have tried, because they have not worked out.

Now, it is a case of balance, it is a case of distribution, it is a case of internal economy instead of world economy.

Let us build up the absorbing power of our own people through purchasing power instead of diminishing and impairing this power by letting more of these manufactured products come in from outside. We have not scratched the surface of potential consuming power in this country and, if instead of gallivanting to the four corners of the earth for customers and trade, we will look within the limits of our own Nation, we can bring prosperity to our own workers, find a domestic outlet for all our farm products, put idle acreage back to work and set in motion the forces that will achieve an internal balance.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GREENWOOD. The gentleman has consumed 1 hour, and under the rules his time cannot be extended except by unanimous consent.

Mr. DITTER. Mr. Chairman, on behalf of the gentleman from Illinois, I ask unanimous consent that his time be extended 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. PIERCE. Will not the gentleman use this 10 minutes in telling us what should be done with this big surplus?

Mr. DIRKSEN. I will say to the gentleman from Oregon I believe this country can absorb everything it can produce, if people can only be provided with some of the comforts and the luxuries which come from an adequate kind of purchasing power; but how are you going to rehabilitate this purchasing power when you let all these foreign commodities come in for the sake of a little bit of outlet for some of our own agricultural products? There is too much of a disparity in spite of all the astuteness of these gentleman on the Reciprocity Commission, and we are going to throw away too many advantages.

Now, the gentleman raises the question of cotton, and I will say that cotton presents somewhat of a problem, and it will become more aggravated in proportion as Brazil, India, the Georgian Caucasus in Russia, and all these other countries begin to expand their cotton production. Cotton will be a greater problem in years to come than it is now, and then perhaps we shall poignantly regret that we were so short-sighted as to overlook principles of internal economy that would prompt the development of other crops besides cotton in the South.

It is going to become a more aggravating problem.

Now let me point out what I have in mind. They have been experimenting with slash pine in the South, converting it into pulp. It makes an excellent kind of newsprint paper. We buy pulp at present from Sweden, from Finland, and from Canada. Millions of dollars' worth come in every year. And yet here we have a great potential field for slash-pine expansion in the South to take away more cotton acreage and diversify production in the South.

It makes for further diversification. Out in my country we have been raising corn year in and year out. At the same time there is a possibility of raising Jerusalem artichokes in that country and producing enough sugar and levulose to supply the entire sugar market without depending on other sugar countries.

The gentleman from Oregon will remember the figures that were introduced here last year showing that only 26 percent of our sugar requirements were produced in this coun-

try. We passed a law limiting the sugar produced, saying, "Thus far you shall go, and no farther."

I am not so concerned for the people living in the outlying possessions. I am concerned about my own people. [Applause.] That is what makes me a kind of nationalist. The gentleman from Michigan [Mr. SADOWSKI] knows it—he sees all these people unemployed, who are unable to get something to eat; hungry children going to bed supperless.

Mr. SADOWSKI. Will the gentlemen yield?

Mr. DIRKSEN. I yield.

Mr. SADOWSKI. Is it not true that we have had in the past high tariffs and low tariffs, and that there may be something else responsible for the conditions besides the tariff?

Mr. DIRKSEN. It may be so, but you have to consider all the factors.

Mr. SADOWSKI. Does not the gentleman think that if we could devise some plan for distributing the wealth of this country among the producers we might find a solution to some of these troubles?

Mr. DIRKSEN. Why worry about the distribution of wealth, unless we get to the production of wealth, because it would not take very long to distribute all the wealth in this country. You could do it in a year and exhaust it all, and if there were no constant repletion through the production and development of that wealth where would we be? We would be a Nation in bankruptcy and nothing more.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. DUNN of Pennsylvania. I just heard the gentleman say that there are many people going hungry in this country. Is there any reason why any people should go hungry in this country when we have an abundance of all kinds of food?

Mr. DIRKSEN. None whatsoever, and if we would practice a little more internal economy and get over our sympathy about these people living in the far corners of the world, the chances are that we would be infinitely better off. [Applause.]

After all, we are all interested in the welfare of every element of our national life—the farmer, the business man, the laboring man. Our differences spring from different ideas as how best to attain the welfare of these various elements. In the light of what has transpired in the last 2 years, in the light of industrial developments in the far corners of the earth, in the light of low living standards prevailing in other nations, I believe we best serve all interests in this country when we protect the greatest purchasing market in the world, rehabilitate purchasing power by retaining high tariffs, and protecting labor, so that American labor may once more buy the products of the American farmer and thereby achieve that happy balance that will bring prosperity to all.

Mr. CANNON of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I was extremely interested in the remarks of my friend the gentleman from Illinois [Mr. DIRKSEN], but like a great many individuals who have not been born and reared on the farm, he is not entirely familiar with his facts and observations. We have heard a great deal of complaint about the ills that will befall the farmers of this country if we enter into reciprocal-trade agreements that have been approved, directed, and sponsored by the President of the United States. It happens to be my good fortune to know personally the two gentlemen who will negotiate for these agreements providing the same are gone into, and I refer to Mr. Wallace, the Secretary of Agriculture, and Mr. Peek, the confidential adviser to the President upon foreign trade. It so happens that Mr. Peek was chairman of a committee of 22, of which I was vice chairman, which committee in 1926 and 1927 sponsored the McNary-Haugen bill—the bill that was designed and created and framed to help the American farmer, a bill that was twice passed by this Congress by a majority of both parties, a bill that had the approval of all of the great farm organizations of this country, but was twice vetoed by President Coolidge. There were many of us who thought that this bill, known as the "McNary-Haugen bill",



was a better bill than the one adopted in the Seventy-third Congress. There are many of us who still believe that the fundamental principles of that bill are preferable to those under which we are now operating. If there was in my mind ever for one moment the thought that either Mr. Wallace or Mr. Peek had in mind any reciprocal agreements or any legislation that would be detrimental instead of beneficial to the American farmer, I would have as heartily condemned such agreements or legislation as any Member of this House. Regardless of the criticism, which has been voluminous, the price of American farm commodities has steadily advanced during the past 12 months. That is the proof of the pudding, in the chewing of the string, and the thing that the American farmer is most interested in today is the selling price of the commodities which he produces. I call attention to the fact that today the selling price of hogs in the city of Cleveland, which is our principal terminal market in the State of Ohio, is \$8 and \$8.25 per hundred. I contrast this selling price with that of \$2.50 a hundred in the spring of 1933. The price that I have named does not include the processing tax, which ranges from \$2.25 to \$2.75 per hundred.

So the fact is today that the American hog grower who operates under the corn-hog program is receiving around 10 cents a pound minus the transportation and commission and yardage and feed charges. A year ago a price of 10 cents per pound would have been undreamed of. Yet that is approximately the price today. Beef cattle are selling today in the Cleveland market at from \$7 a hundred to \$10 a hundred, and so at last after a period of 12 long years the American farmer is beginning to get back on his feet and the American farmer today knows that it was no empty promise or fulsome pledge that was made by the President of the United States in 1933 when he said that he would see to it that the forgotten man of America, the American farmer, was no longer discriminated against, but would be given his just due and that his industry would be placed on a parity with the industrial activities of the East.

Referring again to the reciprocal-trade agreement, the fact remains that you can take any 10-year period during the past 50 years and you will find that our exportations of agricultural commodities never amounted to more than 15 percent. In other words, year in and year out we consume 85 percent of the agricultural commodities that we produce and export only 15 percent. That has been the trouble in the past. The 15 percent that we export has been the tail that has wagged the dog for 12 long years, and for 12 or more long years we fought for the very principles which we have today, to complete this circle, this protective circle, if you please, by including the farmer in that circle. That circle has been completed by the legislation which this Congress has enacted, and that was not a partisan measure, but was a measure supported by a great majority of the members on both sides of the aisle, and it is a measure that today will be praised and approved and again supported by those Members who come from the great agricultural districts of the Nation, regardless to which political party they belong.

There has been considerable talk in the past about the diversification of farming in the South. Those of us who are familiar with agricultural conditions in the South know that diversification is limited, the same as diversification is limited in the State of Illinois. In that rich, black soil in certain sections of Illinois the principal crop is corn, and the principal livestock crop into which that corn is fed are hogs and beef cattle and, to some extent, dairy cattle.

The farmers there always have raised corn and they have raised hogs. As someone has said, they raise more corn to raise more hogs, and to raise more corn and more hogs ad infinitum.

So, my friends, it is idle to talk about diversification in this great Corn Belt of ours. It is idle to talk about diversification in the great southland, where cotton is the principal commodity and will continue to be for the years to come.

Talk about expansion of the production of cotton in other great cotton-producing countries is futile. For instance, Egypt is one of the principal cotton-producing countries of the world. In 1931 and 1932 Egypt tried the plan of crop

regulation. Their conditions of moisture and their conditions of tillage are such that the country can absolutely control its production, yet it did not control prices. So in the past 2 years Egypt has established the policy of producing all of the cotton they can produce. That policy is now being followed by every cotton-producing country in the world.

The Bankhead Act, which was enacted by the Seventy-third Congress, has been the greatest stabilizer of the price of cotton of any legislation that has yet been proposed, and when the continuation of the policies inaugurated by the Bankhead Act was placed to a vote of the growers they voted 10 to 1 for the continuation of the provisions of that act. In my State of Ohio, where the farmers of some twenty or thirty counties voted on the wisdom of continuing the corn and hog program, created by this Congress, a majority of those farmers voted for a continuance of the plan. Until you can offer us some other alternative, until you can offer a better program or a better plan, we are bound to state that this legislation enacted for the benefit of the American farmer has been of such nature that at last the American producer of foodstuffs is beginning to rehabilitate himself; and when you rehabilitate the American farmer, you begin to rehabilitate the whole country. This rehabilitation of the American farmer will in no far distant time be reflected on the sidewalks of your great city of New York.

Mr. FISH. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. FISH. I should like to ask the gentleman, who is an expert on the cotton situation, if he will tell the House why it is that Brazil, which exported a year ago 10,000 tons of cotton, exported this year 100,000 tons?

Mr. TRUAX. Now, the gentleman, I assume, belongs to the class to which I referred a while ago, because the gentleman from New York, although I know he means well, is talking about the exportation of cotton in tons, when everybody knows that it is exported in terms of bales.

Mr. FISH. Not from the foreign countries. We do it by bales here. I could not translate what a metric ton is, and I thought the gentleman could do so, as he is an expert.

Mr. TRUAX. I am not an expert. Someone has defined an expert as one who knows less and less about nothing. I am simply a plain farmer.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. CANNON of Missouri. I yield the gentleman from Ohio 5 additional minutes.

Mr. TRUAX. The exporting troubles of this country started with the passage of the Fordney-McCumber tariff bill and later on, in a much stronger manner, by the passage of the Hawley-Smoot tariff bill. In the Seventy-third Congress I introduced in the RECORD certain tables, which I shall be glad to introduce again, showing the exact effect on the American farmer, and with particular reference to the exportation of wheat, of those high-tariff bills. Immediately following the passage of the Hawley-Smoot tariff bill all European nations enacted reciprocal tariffs, running as high as \$1 and \$2 a bushel tariff against the importation of our wheat by those foreign countries.

Mr. BOILEAU. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BOILEAU. A great deal has been said with reference to our reduction in production of cotton, but is it not a fact that even though we have reduced the acreage of cotton, we still produce and have on hand more cotton than we can sell either domestically or in foreign trade at a price that will give our farmer a fair return for his cotton?

Mr. TRUAX. That is exactly right. The accumulation was there, nearly as much as 1 year's crop, between ten and twelve million bales that had accumulated because of the wholly unsatisfactory and demoralizing prices.

Now, Mr. Chairman, I want to get down to the real text of my remarks today. Much has been said about rehabilitation of the American people. You will never have any real and complete rehabilitation of this country until you revise, and drastically revise, your system of taxation. Many of us read today about the enactment of a 3-percent sales tax to finance



the Townsend old-age-pension plan. Just recently my State of Ohio enacted a 3-percent sales tax, which it is anticipated will raise between seventy and one hundred million dollars per year. At the same time they increased the excise tax on the public utilities only 1 percent. Most of the public utilities in Ohio are owned by J. P. Morgan, a man who is said to own or control \$40,000,000,000 of wealth. In other words, one individual in this great country of ours owns or controls nearly one-sixth of our wealth. Another way to put it: The total public and private indebtedness of this country—bonded, mortgaged, or otherwise—amounts to about \$235,000,000,000. Our country may be worth today \$250,000,000,000. In other words, 120,000,000 people, who constitute 95 percent of our population, have an equity of \$15,000,000,000 in a \$250,000,000,000 corporation, owned largely by a few international bankers and by other malefactors of great wealth.

A few days ago some gentlemen referred to the recent article by Gen. Hugh S. Johnson in the Saturday Evening Post.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. CANNON of Missouri. I yield the gentleman from Ohio 5 additional minutes.

Mr. TRUAX. He failed to note or to stress one of the major recommendations of General Johnson, and that is a substantial scale-down in the indebtedness of this country. The general reports that we are trying to blow life into dead assets. In other words, we are trying to revive and we are largely paying for dead horses. This is particularly true with the agricultural industry of this great Nation of ours. It is particularly true of the thousands and hundreds of thousands of distressed home owners who are about to lose their homes. Even though they are so fortunate as to refinance their mortgage loans the rate of interest is so high, so extreme, that with their present incomes, or with no incomes at all, they simply cannot make the grade.

This Congress could well consider, Mr. Chairman, a scale-down in mortgage indebtedness contracted a dozen years ago, during the boom time. This Congress could well consider a scale-down of this indebtedness from 30 to 50 percent. Even then, on such a scale-down, those in distress, including the millions of unemployed, including the farmers who are now trying to get on their feet, would have a difficult time to make the grade. What would help this situation, Mr. Chairman, is to tax wealth; tax the wealth of this country to the limit; tax the plutocratic wealth of this country beyond the limit. In other words, until you begin to scale down the enormous, swollen fortunes, until you begin to take the fortune of J. P. Morgan and scale it down about \$39,999,000,000 and leave the old pirate \$1,000,000—until this is done you will not see permanent rehabilitation or recovery in this country—not as long as you permit individuals, selfish, greedy individuals, to draw incomes of \$1,000,000 a year.

I know a certain man in public life in this country who would make it possible for one individual to draw an income of \$10,000,000 a year. Scale them all down and limit them to \$50,000 per year. [Applause.] Why, the President of the United States receives only \$75,000 a year. Fifty thousand dollars ought to be enough in these days of prohibition repeal—\$50,000 a year ought to be enough for any man or any woman, regardless of how aristocratic or blue-blooded he or she may be, to live on decently and comfortably. [Applause.]

We must follow the precedent established by England, with her heavy inheritance taxes. England is able to balance her budget. England is able to take care of her unemployed, without bond issues, by taxing wealth and by placing an inheritance tax that will bring back into the treasury these millions that have gone to selfish individuals.

Mr. Chairman, I hope to see the day—and I hope to see Mr. John D. Rockefeller, Sr., live long enough to see it, too—when this Congress will pass a taxation bill that will redistribute his enormous wealth, that will take \$499,000,000 of the \$500,000,000 he owns and place it back in the Federal Treasury. When this is done, your taxation problem will be solved. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I think there is a great deal in what the gentleman from Ohio has just said. I rather believe that those of us in this House, humble Members of Congress, could probably live on \$50,000 a year. I was wondering whether it would be worth while to offer such an amendment to the next bill and see if we could not try to live within those limits by just raising our pay to \$50,000 a year. I am sure that if we tried hard enough we probably could get along on that. Of course, I know, we know, we are worth more. We all know it, and maybe if we have real Democratic inflation our pay may exceed the limit set by the gentleman from Ohio.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; the gentleman is worth more than that.

Mr. TRUAX. Mr. Chairman, will the gentleman yield for a question?

Mr. FISH. I certainly will yield for a question.

Mr. TRUAX. I suppose the gentleman's constituents think he is worth more than that.

Mr. FISH. Well, my constituents gave me several thousand more votes than I had the prior election; and I would say to the gentleman from Ohio that I come from the same district as does the President of the United States. I would further say to the gentleman that it has not been decided yet whether the President is my constituent or I am his [laughter]; but I will confess to the gentleman that at least I am not his spokesman in the House or on this occasion.

The gentleman from Ohio, who comes a long way from the cotton States, was just expressing his views as to the Bankhead bill and as to the future of the cotton growers of the South. Now, it is not my purpose to decide what is best for the cotton producers and growers of the South. I maintain, in view of the fact that they have adopted the mandatory features of the Bankhead bill and approved them by popular vote, that they ought to know what is best for their own interests.

They certainly ought to know their own business. We of the North know very little about the growing of cotton, but at least we know that in the last year, with the price of cotton going up and the Government's paying for a reduction of the cotton crops, the South has had a prosperous year. At the same time, I think it is right, not only for northerners but for every Member of the House who believes in the welfare of the United States, both in the North and South, to strike a note of warning by pointing out that the cotton producers are losing their export markets for cotton. The South is losing its world markets. I have not the figures in my head at this time, but I imagine you have lost one-third or more in the last year. If the loss was going to stop there it might not be such a serious matter, but it looks to me as if you are gradually losing every day a greater part of your export market on cotton. If you lose all your markets, of course, it will be a very serious loss to the whole country, not alone to the South. Whether it is due to the high price of cotton on account of the legislation curtailing cotton production or due to the growing of more cotton in other countries is a matter for experts to determine. The fact is that the rest of the world is growing more cotton and exporting cotton in vast quantities. Brazil is doing this, as well as India, Egypt, Russia, and other countries.

I am very much interested in what the gentleman had to say about soaking the rich. That is an old story. I was very sorry to note, as one who believes that Democrats are loyal Americans and have the interests of their country at heart and believe in our form of government, that for political purposes in the last campaign many of the more radically inclined Democrats joined with the Communists and Socialists in a campaign of soaking the rich, saying that the fortunes of the country had been accumulated in the hands of a very few people, which was endangering our economic and political systems. That is a most effective argument to the man on the street who is walking around looking for a job. There is nothing more effective. But of all the political bunk that has ever been spread around the country



for election purposes, that is the worst I have heard for many years.

Everyone knows that owing to the depression the rich man has lost most of his money just as well as the poor man, and perhaps more. Some of them lost 50 percent, some 75 percent, and some have been wiped out entirely. Every Communist, every Socialist, and every pink intellectual, as well as the radicals, joined together in one main slogan, and that is that a very few very rich men control this Government and that a few rich men in Wall Street own practically all the wealth of the country. It is asserted that they control the Government, the Supreme Court, and our economic and political institutions. Outside of the fact that these wealthy men have lost half of their money, and more, owing to the depression, the truth about the matter is that they do not control, and never have controlled the Government or the Supreme Court or even our economic institutions. However, if it should ever come about that a small number of ultrarich men in the future, when we emerge to better times, should accumulate the wealth of the country in their hands and endanger our institutions, it is the easiest problem to solve and does not need a constitutional amendment.

I want every Member to note this, because this is the stock argument of every Communist and every Socialist and every radical when he wants to denounce American institutions and spread class hatred. All we have to do is to raise the inheritance tax. We raised it from 20 to 40 percent 2 years ago. If that is not high enough, it can be raised to 80 percent by a simple act of Congress if the majority of the Members of Congress, representing their people back home, believe that should be done. The rich man, like the poor man, must inevitably die and he cannot take his money to the grave with him. There are many rich men and women I know of, arrogant with wealth, who would like to take their money to the grave with them, but it cannot be done. If the time should ever come when the wealth of this country is accumulated in the hands of a very few, I shall be very glad to go along with the majority and vote for an increase in the inheritance or estate tax in order to prevent the wealth's getting into the hands of a few and endangering our institutions.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Does the gentleman at this time favor raising the inheritance tax above 40 percent?

Mr. FISH. May I say I voted for the increase to 40 percent, and if I could find sound arguments for raising it further I might go along, but I am going to talk on a subject that is connected with that very situation, which deals with tax-exempt securities. This is a far more vital, a far more important, and a far larger issue as affecting the rich men in the country today, because I propose to show by figures that the rich men of America are escaping taxation. We have imposed a 60-percent tax on incomes in excess of \$500,000. An American who has an income of \$500,000 is a darn fool, to put it mildly, if he does not put all of his money into tax-exempt securities which exempt him from all income tax whereas he would otherwise have to pay an income tax of 60 percent. That is what is happening in America today. The rich man, the multimillionaire, and you cannot blame him for it because he is allowed to do so under the law, is escaping taxation and the burdens are being carried by the smaller income-tax payers. What has happened, and who is to blame?

Mr. BOILEAU. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The gentleman made a very fine statement in reference to his views in regard to a high inheritance tax, but does the gentleman take the same view with reference to income taxes?

Mr. FISH. No. I think the income taxes are high enough, if not too high, because it takes money out of private industry. The income tax goes up to 59 percent. I think that even may be too high, although I probably voted for it. To my way of thinking the most important thing to be done in the country today is to get money back

into private industry, thereby getting the wheels of industry started so that people may be employed. [Applause.] If you take the money away from the rich man or the man of moderate means through excessive income taxes you are practically seizing it and confiscating it for the Treasury of the United States and that money does not get into private industry, which is the main trouble today. I want to stress this tax-exempt-security situation, because that is far more important. I am not posing here as an expert on it, because these figures were given to me today and I have not had time to check them up or look into them, but these are the astounding figures that have been presented to me; and if accurate, show an amazing and vicious financial situation that should be remedied.

Since the 3d of August 1933, a year and a half ago, \$9,000,000,000 of totally tax-exempt securities have been issued by the Federal Government, known as "Treasury notes." A Treasury note is a note that has a life not in excess of 5 years and not less than 1 year. There have been \$9,000,000,000 of these Treasury notes, totally tax exempt, put out by the Democratic administration since August 3, 1933.

This money, I presume, has largely gone into the hands of the richest men and women in America and subscribed for by the big interests as well as by the big banks and corporations of the country in order to avoid taxation. These Treasury notes are totally tax exempt. Our bonds are exempt, generally, for normal taxes of 4 percent, but not exempt for surtaxes. You will notice that the Secretary of the Treasury every time he issues these Treasury notes, no matter whether the issue is for one-half billion or one billion or two billion dollars, publicly states that it shows the great credit of this Government; that it shows the confidence of the people in this administration because they have all been oversubscribed. Why, the subscribers rush to get to the head of the line in order to get some of them, and who is trying to buy them? The rich man, or the big bank or corporation, in order to escape taxation.

The multimillionaire puts his money into tax-exempt securities and does not pay a penny of income to the Government. This is what is going on, and this is why the tax-exempt Treasury notes are being grabbed up immediately, and this is the vicious circle we are up against. The man who ought to bear the burden, according to his income and his own share of the wealth which he has made out of the country, is not paying anything at all, whereas the rest of the people who have not the ready money to buy the Treasury notes and tax-exempt securities are paying according to the law, whether it be 4 or 20 or 30 percent of their income. It is the middle-class and not the very rich who are bearing the burden of taxation in America today, and the answer to it is that we ought to cease issuing any tax-exempt securities whatever. [Applause.]

Mr. TRUAX. Mr. Chairman, will the gentleman yield for a question?

Mr. FISH. I yield.

Mr. TRUAX. Does not the gentleman think that if you would stop his income over a certain amount, say \$50,000, and place a limitation there, he could not buy tax-exempt securities?

Mr. FISH. I understood the gentleman's argument, and I understand he stands for a capital levy.

Mr. TRUAX. That is right.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman from New York 5 additional minutes.

Mr. FISH. When you talk of a capital levy, the depreciation of the dollar by act of Congress, to a large extent, was a capital levy. If it had gone out to the country as a capital levy, I think the country would have been against it. No one ever raised that issue, but it was a direct capital levy, and it took away 40 percent from the value of the dollar, automatically, by act of Congress. It not only hit the rich man, it hit the poor man as well. It hit the man who had an insurance policy, it hit the man who had savings in a bank just as well as the rich man. The man in the



street thought you were hitting the rich, and he applauded. He did not realize that where you hit one rich man in this way, you hit about 1,000,000 poor men. This was a distinct capital levy, and the United States Government, to prove it, made a profit of \$2,000,000,000 out of it.

There are two objections to the issuance of tax-exempt securities. First, the rich man has the money to take advantage of them and, naturally, does; and as long as we continue to issue them, he will escape taxation. The other one is that this money that the rich man has, which ought to go into private industry to keep the wheels of industry going and to provide employment, puts the money into Government tax-exempt securities, such as Treasury notes, and goes into the Treasury of the United States and is used by the Government. The result is that private industry, which generally gets most of its money from the wealthy, is not able to get any money at all. This is one of the main difficulties today and is seriously retarding business and industrial recovery.

The Government of the United States cannot continue to have deficits of four and a half billion dollars every year and act as a substitute for private industry which is unable to get money to finance itself, because the rich men are putting all their money into tax-exempt governmental securities. It is an absolutely vicious circle.

Of course, the Democratic administration claims a lot of credit because, they say, the people back home have all the confidence in the world in the administration and buy all of these issues; but it is not the American people, it is nothing but the big interests and corporations and the banks and the rich people. It is not surprising that these issues are oversubscribed two or three or four or five times. The big fellows, the big taxpayers, fight for them and line up just like people at a baseball game trying to get in first.

I introduced the following resolution, and I hope some member of the Ways and Means Committee on the Democratic side will take this resolution and reintroduce it under his own name, because I know what a swell chance I have of having any of my resolutions adopted by the Democratic majority:

*Resolved*, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The names and addresses of all persons and corporations who own tax-exempt securities in the amount of \$100,000 or over; the amount of such holdings held by each individual or corporation; kind of securities held in each case; and the interest paid on such securities per annum.

I believe that the people and Members of Congress are entitled to have this information in order that they may find out how much of this money is going into the hands of the richest people in America in order to escape taxation. This is the only way you can get it, by passing a resolution of this kind. [Applause.] The purpose of this resolution is to ascertain approximately to what extent the big taxpayers and big business interests are escaping taxation in the higher income brackets by buying Federal, State, and local government tax-exempt bonds or other securities.

Certainly we need that information if we are going to formulate a remedy for a very serious situation arising out of the issuance of tax-exempt securities on a huge scale.

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. I yield.

Mr. McFARLANE. Did the gentleman vote for the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] stopping the issuing of tax-exempt securities?

Mr. FISH. It never got on the floor. I would have voted for it if it had.

Mr. McFARLANE. Oh, yes; it did.

Mr. FISH. Then I voted for it.

Mr. McFARLANE. Is the gentleman in favor of it?

Mr. FISH. I certainly am. I am putting in an amendment today to stop the issuance of tax-exempt securities by a constitutional amendment. I put in the resolution I just read last year, but it did not get very far. A subcommittee of the Ways and Means Committee considered it, but at the last moment the Treasury found some objection to it. Of course, the Treasury would object to it because tax-exempt

Treasury notes are the easiest way to finance a deficit. It is the easiest way to finance all the expenditures of this administration or any other. What I want to emphasize is that we have \$14,000,000,000 of tax-exempt securities, of which nine billions have been issued within the last year and a half. Total tax-exempt securities amounting to the huge sum of forty-five billions have been issued. Federal tax-exempt securities are rapidly increasing and now amount to fourteen billions and fourteen billions more partially exempt. The question is whether we are going to issue more tax-exempt Treasury notes for the new deficit of four and one-half billion dollars next year. They are more popular today than ever before with big investors. The continued issuance of tax-exempt securities by the Federal Government is a serious question as to whether money badly needed in legitimate channels of trade and commerce and in all private industries is not being diverted into tax-exempt securities for the benefit of wealthy individuals and rich corporations. I am putting this up to the Democrats. I am making the speech, but you have the responsibility.

Do not take the floor and say you are in favor of it and talk for political purposes about soaking the rich and the concentration of wealth in the hands of a few and then do nothing about stopping the issuing of tax-exempt securities and let the rich man escape taxation altogether. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, ladies and gentlemen of the Committee, the criticism that the gentleman from New York [Mr. FISH] made in reference to the issuance of tax-exempt bonds is entirely just and justified. There is not a defense that can be offered to the practice in the United States of issuing great quantities of tax-exempt bonds, held mainly by the wealth of the country to escape taxation.

But the inconsistency of the gentleman from New York is that on the one hand he is not in favor of tax-exempt securities, but on the other hand he does not favor what he terms "tinkering" with the currency. Yet he admits that owing to the tremendous unemployment in the United States, either relief must be furnished to the unemployed or we must assume the responsibility of furnishing the work for them. The truth about the whole thing is simply this. From 1921 to 1929 we had the greatest credit inflation that this or any other country ever witnessed. As a result of that credit inflation commodity prices rose very high, and during that period a tremendous public and private indebtedness was contracted in terms of a cheap dollar. Then, following the crash of 1929, with the inevitable deflation which resulted from the preceding credit inflation, the dollar rose in value. It was not solely due to that, but that was one of the contributing causes to the increase in the purchasing power of the dollar. The dollar rose so high in value that in terms of commodities the debtors of the Nation found themselves burdened by a staggering public and private indebtedness. As a result of that situation business was paralyzed, and in my humble judgment the most serious problem that still confronts us is the crushing public and private indebtedness that is stifling business in the United States. The gentleman will admit that. Conservatives admit it, and so-called "progressives" admit it. But the problem is, How can we scale down this indebtedness? The gentleman perhaps would propose that we permit the laws of liquidation to assert themselves and that through foreclosure or bankruptcy and other court proceedings we permit the creditor class, through the usual recourse to law, to seize the property of the debtor class and appropriate the properties to the partial payment of obligations.

Gentlemen who make that statement do not realize the consequences that would ensue in the United States. That would produce the greatest concentration of wealth in a period of 2 or 3 years that the world has ever seen; and when we come out of such a liquidation, a very small percentage of the people would own and control all the property in the United States. The other method by which we could deal with the situation is to undertake by lowering the purchasing power of the dollar and by other methods to raise commodity



prices so that the debtor can discharge his obligation in the same kind of a dollar that he borrowed. But, the gentleman says, that is tinkering with the currency; and when the gold inflation bill was before the Congress, the gentleman and other members of his party denounced that measure as a confiscation of wealth, and he now says that it constituted a capital levy to the extent of 40 percent. When this bill was before Congress, I had the pleasure of making the opening speech, and I then predicted in my speech that the mere reduction of the gold content of the dollar unaccompanied by the issuance of new currency placed in circulation would not accomplish a rise in commodity prices in the United States proportionate to the reduction of the gold content of the dollar. So far as our foreign trade is concerned, it did stimulate it, because foreign buyers were able to take an ounce of gold and buy 35 American dollars, whereas before the revaluation they could only purchase 20 American dollars, and with 35 dollars they could buy more of our products with the same ounce of gold. Put in another way, they could buy our products 40 percent cheaper. Then we passed the Silver Purchase Act, which the gentleman from Illinois [Mr. DIRKSEN] has pronounced a dismal failure.

It is amusing to me to see the position gentlemen on the other side of the Chamber occupy. They say that we are interfering with the law of supply and demand, that we are undertaking by legislation to interfere with those natural laws. Yet the action of the party that was in control of this Government for many decades made necessary some of the legislation that we have put on the statute books. For years and years they interfered with the law of supply and demand by the enactment of tariff legislation. That was orthodox; they had no objection to that; but when we undertake to make the tariff laws function for the agricultural producers in the same way that it had been functioning for the industries of the East, then they talk about price fixing and say that it is contrary to the law of supply and demand and that it is un-American. Let me say to the gentleman that we might as well reconcile ourselves to one or two fundamental propositions in this country. We cannot eat our cake and have it, too. We can be either an export country or we can adopt a strict nationalistic policy, as the gentleman from Illinois [Mr. DIRKSEN] recommends; but the nationalistic policy that he recommends would necessitate economic dictatorship in the United States. If we commit ourselves to a course of economic isolation, then it is apparent that we must regulate and control production in the country. There are only two ways foreign countries can buy our products. They can pay for them only in goods or in gold. If we refuse to permit them to ship their goods into the United States in exchange for our surplus, then they have nothing else to use in settlement of international trade balances except gold. They did that for a long time, as long as the gold lasted, but the United States, with a favorable trade balance, soon got possession of nearly one-half of the gold of the world, and we had it locked in the vaults of our Federal Treasury.

Gold became cornered by three nations. It is, therefore, manifest that we cannot continue to have settlement in gold when nations do not possess the gold to settle with. The fact is that about the only thing that foreign nations have had to settle their international trade balances with, outside of imports, which to a restricted degree they have shipped into the United States, has been silver. The gentleman fails to recognize that for every dollar of silver that we buy abroad, we give some foreign buyer a purchasing power with which to settle international trade balances. The same thing might be said of copper. We could buy copper abroad and allow so much a pound for it, and that would give foreign buyers a purchasing power with which to settle international trade balances.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DIES] has expired.

Mr. CANNON of Missouri. I yield the gentleman from Texas 15 additional minutes.

Mr. DIES. I proposed a measure to enable foreign buyers to settle their international trade balances with silver; to accept silver at a premium not less than 10 percent, no more than 25 percent above the world market price of silver. That measure passed the House of Representatives, as you know; and when it went to the Senate, there were those who objected to it on the theory that it would constitute dumping. Then we passed my silver-purchase act, which is now in force.

It seems to me that we must recognize one of two things. We must either be prepared to lower our tariffs by reciprocal trade treaties, which the gentleman from Illinois denounces as being so vicious, or we must make it possible for foreign buyers to purchase our products. The gentleman deplores the expenditure of huge relief funds. Of course, none of us feels very happy about the necessity of appropriating billions of dollars for relief and public works.

I certainly do not. But what are you going to do? It is not a question about the wisdom of it, but what else can you do? The point I am making is that we are accumulating a tremendous public indebtedness which the American citizens, in generations yet to come, must discharge.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DIES. I yield.

Mr. RANDOLPH. It is a fact that while we have a staggering national debt of some \$27,000,000,000, England has an indebtedness of about \$46,000,000,000. The distinguished gentleman from Texas presents a dark picture of our financial condition. I am in agreement with what he says, and yet I wish to have the RECORD disclose that England's per capita debt is said to be \$991 and the per capita debt in the United States is \$370. It is true, however, that as we go forward in new-deal expenditures, we guard against impairment of our credit.

Mr. DIES. Oh, true; but God help this country if we ever emulate the example of Europe. We who live in this country who imagine that we are taxed ought to study taxation in foreign countries.

To illustrate the effect of gold revaluation from a theoretical or legal point of view: If the Supreme Court of the United States holds against the Government, it is conservatively estimated that that will increase the indebtedness of the United States \$69,000,000,000. Why? Simply because if the Supreme Court holds that those obligations payable in gold must be discharged in gold or in the currency equivalent of gold, then it will become necessary for the debtor who owes an obligation payable in gold—and there are \$100,000,000,000 of obligations payable in gold in the United States—to put up \$35 for every ounce of gold he owes, instead of \$20 under the old statute. Consequently, the indebtedness, in terms of dollars, will be increased \$69,000,000,000 under that theory.

Of course, none of us know what the decision of the Court will be, but I have introduced a bill, in case that decision is unfavorable, directing the Secretary of the Treasury, in the event that in obedience to the mandate of the Supreme Court it becomes necessary for us to discharge our public obligation in the currency equivalent of gold, or on the basis of \$35 an ounce, to issue \$5,000,000,000 of United States notes, and pay that difference with United States notes. Men say "inflation." Well, it is a peculiar thing, to my mind, that during all of the credit inflation, when values were created out of thin air, when we were reveling in so-called "luxury and prosperity", that few sound orthodox bankers ever warned against inflation. There seems to be in this country a class of people who favor credit inflation and who denounce currency inflation. We might as well make up our minds to certain fundamental facts. We are either going to pass this indebtedness on to our children and our children's children or we must have the courage now, through lowering the purchasing power of the dollar, and other methods to raise commodity prices, to bring about the discharge of at least a reasonable part of this indebtedness during the lifetime of our own people. [Applause.] But they say it cannot be done. Now, the gentlemen who say that fail to realize that



we are in a different attitude from any other country. For instance, when we revalued our gold, Professor Warren predicted that commodity prices would rise 40 percent. Many other gentlemen predicted that. No such thing happened. Why? Because we did not increase the quantity of our money one dollar; and we have in the Treasury today more gold back of our currency than ever before in the history of the United States. We have \$8,000,000,000 of gold in the Treasury of the United States as against an outstanding currency issue of about \$5,500,000,000. Not only was this true, but we are an export nation, and as an export nation other countries cannot call upon us for the settlement of debts. They cannot "raid" us.

The only way that a foreign country could raid our gold supply would be in case we foolishly resumed specie redemption, and the only way they could then do it would be to buy our currency and come to the Treasury and demand that that currency be redeemed in gold and transported abroad. The Congress is not going to do that. We respect the wisdom and authority of the Supreme Court of the United States. If the Supreme Court in its wisdom and judgment rules against the Government, we have a method by which we can save the American people from what I regard to be one of the most appalling economic tragedies that could ever happen to a free people. We can tax the obligations that are payable in gold after July 1, 1935. This will give creditors an opportunity to escape the tax by making the obligations payable in currency. These gentlemen talk about confiscation of wealth. Now, is it confiscation? The men who loaned their money between 1921 and 1929 loaned what kind of a dollar? They loaned a dollar that in terms of purchasing power was not worth more than 50 cents. After all, what other method do you have to measure dollars? What method do you have by which you can determine the value of a dollar except by the quantity of commodities that it will purchase? I say they loaned a dollar that in purchasing power was not worth more than 50 cents.

Then, when the subsequent deflation occurred and the purchasing power of the dollar increased and commodity prices fell, this same conservative crowd represented by the gentleman, or I should say he speaks for them, said it would be repudiation if we did not give them back \$1.69. They are unwilling to accept the same kind of dollar in terms of purchasing power as that which they loaned.

It is all right to talk about the integrity of a country and about its reputation for honesty, but there never has been a country which went through a war such as we went through without expanding its currency so as to lower the purchasing power of its money and then and there settling it with the people then living. Oh, men throw their hands up in horror and talk about money tinkering and talk about silver being money tinkering! Why, silver is about the only real money left in the world. Gold is no longer money; it is not a medium of exchange. Money is something that circulates, and gold does not circulate any longer. It is no longer a reserve, because we do not have any gold in the banks as a reserve. The only purpose for which it is being used today is for hoarding by three great countries—France, the United States, and Great Britain—and the settlement of trade balances. Gentlemen, as I say, talk about cheap money. Let me tell you something: Money as the instrument of trade is supposed to increase as the production of a country increases. As the production of a country increases year by year, you need more of the instrument of exchange than you would otherwise. That is the reason why we see the quantity of money constantly increasing with the increase of production. If it lags behind, business will stagnate. If, on the other hand, through excessive issuance on the part of a central government it becomes redundant, then it becomes extremely cheap.

The analogy of a hundred ships carrying the cargoes from one country to another illustrates the purpose of money. It carries the cargo of trade, and when you have insufficient money, then the value of that instrument of exchange is unduly increased. There is no question but that the value

of money is determined by the law of supply and demand just as is the value of any other commodity; and anyone who knows anything, knows that if Congress should deliberately undertake to issue large quantities of irredeemable paper, such money would depreciate to a tremendous degree; and we might as well recognize that other countries have either been forced into such desperate measures or have taken them deliberately. We, in this country, with \$8,000,000,000 of gold and with nearly \$1,000,000,000 of silver, are issuing tax-exempt bonds which result not only in withdrawing millions of dollars from the channels of trade and industry, and enable those of tremendous wealth to escape and evade our taxation laws, but also these tax-exempt bonds are a contributing factor to concentration of wealth; for, by enabling the privileged few to escape the burdens of taxation, this burden falls upon the middle classes and upon the wage earners and farmers.

You ask what is the remedy? The gentleman does not propose any remedy. I do not believe he is honoring me with his presence. I may be wrong about it, but I think sooner or later we are coming to it. As far as I am concerned, I am not in favor of transferring this enormous burden to my children and my children's children. I want some of it settled here and now by the generation responsible for these problems and responsible for this deplorable economic crisis. In order to make this generation assume its share of the burden, I would deliberately undertake to expand our currency. This can be done safely in the United States.

The gentleman from Texas [Mr. PATMAN] has done more work on the bonus question than any man in the United States. He is not here today, but you gentlemen know as well as I that the gentleman from Texas [Mr. PATMAN] is due most of the credit, or at least a large part of the credit, for having over a long period of time, when it was unpopular, espoused it. I am not now discussing whether it ought to be paid or not to be paid, but the man who holds up his hands and cries "flat money" and views with alarm the issuance of new money to pay the bonus fails to recognize that already since the revaluation of gold we have increased our supply of gold \$1,000,000,000, and this at a time when all the conservative bankers said we were destroying the financial strength of the United States. In spite of their dire predictions we have \$1,000,000,000 more gold in the Treasury today than we had when we revalued gold. We could issue money against this gold and have 100-percent backing for the currency we would issue under the Patman bill. What are we going to do? Shall we continue to issue tax-exempt bonds? The gentleman objects to the increase in income tax because he says it is soaking the rich. It is true that if you increase your income taxes you reach the point of diminishing returns and get less tax than you otherwise would, and the tax is to some extent passed on to the masses of our people.

What is the remedy? What is the remedy of the gentlemen who are prating about money tinkering? What are you going to do in your district and what am I going to do in my district with the thousands of unemployed people?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIES. Mr. Chairman, I have listened time and time again to all of this prating about unsound policies. Why, if it had not been for the credit inflation between the years 1921 and 1929 there would not be any necessity for tinkering with the currency. The only reason it is necessary to lower the purchasing power of the dollar today is on account of debts that were contracted with a cheap dollar and now have to be discharged with a high dollar. Our people just cannot do it.

How are you going to force liquidation? I see that the distinguished former head of the N. R. A., General Johnson, recommends liquidation. He and many thoughtful men in this country say the thing to do is to write it off, but how are you going to do that? Did we not pass a bankruptcy measure about 2 or 3 years ago? What happened? Did we not pass a municipal bankruptcy law to permit the municipalities



to compose their debts? What happened? Where do we have the constitutional authority to compel creditors to scale down their indebtedness? If any man can tell me the authority under which we can do this, I should like to have him show it to me. The only way that Congress can reach the situation is through a sensible and sound currency expansion and other methods to increase commodity prices. I do not mean that as you increase the money all commodity prices will rise in the same proportion. I do not mean to imply it is a cure-all, but I say it is a necessary medicine that we have to take in this country. To increase indebtedness through the continued issuance of tax-exempt securities is to increase the burden of debt. As far as I am concerned, I trust that the opportunity will present itself to me to vote for the issuance of new money to take up some of these obligations or to discharge some of the obligations of the Government. I shall certainly oppose an overissue, and I appreciate the danger of excessive issues of currency.

Mr. Chairman, it is a long, hard battle. Every time you propose something with reference to silver there is a howl raised. These gentlemen do not want to lower the tariff, they do not want to accept goods; and yet, when you undertake to let the foreign nations pay for our surplus with silver, an objection is raised. The only reason silver was selected is because silver is money to about half the world. We can get it and store it in the Treasury and it does not compete with American industry. However, these gentlemen do not want that. They do not want to lower the tariff, and yet they cry "autocracy" when production is restricted.

May I say if we continue our nationalistic policies to protect everything in the United States and refuse to meet competition in foreign countries, we might just as well get ready to pass a Bankhead bill relating to every agricultural commodity and industry in the country. We might just as well accept the consequences of economic isolation, which is economic dictatorship, because there is no escape. It seems to me that when these gentlemen from day to day continue to denounce the administration they are making a mistake. I do not feel good about all of this. It is worrying me as it is every other Member of this House. I have talked to nearly all the Members of this House, in the cloakroom and various other places, and I do not know of a Member of the House who is not worrying tremendously on account of this situation.

We do not want to spend money on relief, but what are you going to do—let them starve? When you come in with the public-works proposition, some say "We do not want public works, we want the dole." Yet 2 years ago every big-business man in the country was denouncing the dole. When we undertake to keep away from the dole, which is demoralizing our people, then they come in and say that the public works is too expensive.

It is all right to criticize and condemn. No doubt there are some of the things that we are doing that are not wise. I do not think the N. R. A. in every respect has been a success by any means, but I think it has accomplished some definite good.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, the gentleman from Illinois [Mr. DIRKSEN] is unavoidably absent from the Chamber at the present time. On his behalf I ask unanimous consent that he have the privilege of extending and revising his remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GREENWOOD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3973, the District of Columbia appropriation bill, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—THE PHILIPPINE ISLANDS (H. DOC. NO. 32)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Insular Affairs and ordered printed.

*To the Congress of the United States:*

As required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands for the calendar year 1933, together with appendixes, consisting of abridged reports of the heads of the six departments of the Philippine government for the calendar year 1933.

I concur in the recommendation of the Secretary of War that this report and its appendixes be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

The SPEAKER laid before the House the following further message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Insular Affairs:

*To the Congress of the United States:*

As required by section 19 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith a copy of Act No. 4104, passed by the Ninth Philippine Legislature at its third session, and a set of the laws and resolutions enacted by the Ninth Philippine Legislature during its third special session, from April 30 to May 5, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

VETERANS' ADMINISTRATION

The SPEAKER laid before the House the following further message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed:

*To the Congress of the United States:*

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Orders No. 6775 (Veterans' Regulation No. 6 (c)) and No. 6776 (Veterans' Regulations No. 8 (a)), approved by me June 30, 1934.

Executive Order No. 6775 amends Executive Order No. 6566 (Veterans' Regulation No. 6 (b)), January 19, 1934, and Executive Order No. 6776 effected the cancellation of Executive Order No. 6096, March 31, 1933.

These regulations were promulgated in accordance with the terms of title I, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, January 16, 1935.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. RAYBURN. Mr. Speaker, I desire to make a brief statement and then submit a unanimous-consent request.

The Committee on Interstate and Foreign Commerce had money appropriated to make its investigation in the holding-company field. This appropriation expired, of course, at the close of the last Congress. There are about 30,000 proof pages to be read and there is a young man and a young woman in the office now who are doing this work. They



cannot be paid unless I get unanimous consent to use a part of this fund, as has been done in other cases. There is \$10,500 which the committee did not use and which will be turned back into the Treasury.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has the gentleman taken this matter up with the ranking Republican member of the committee, the gentleman from Ohio [Mr. COOPER]?

Mr. RAYBURN. No; I did not think to do that. I am sure it will be all right with the gentleman from Ohio [Mr. COOPER], but I cannot speak for him.

Mr. MARTIN of Massachusetts. I do not want to object to the gentleman's request, but, of course, it is customary to confer with the ranking minority Member.

Mr. RAYBURN. If the gentleman has any objection at all, I shall withdraw the request until a later date; but I think I may say that the gentleman from Ohio would not object.

Mr. MARTIN of Massachusetts. With that assurance, I shall not object.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that \$500 of this amount may be made available until the 1st of March to pay these two employees who cannot be paid until this is done.

The SPEAKER. The gentleman from Texas asks unanimous consent that \$500 of the amount unexpended in the utilities-investigation fund be made available for the payment of the salary of two employees until March 1 next. Is there objection?

There was no objection.

#### ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.) the House adjourned until tomorrow, Thursday, January 17, 1935, at 12 o'clock noon.

#### COMMITTEE HEARING

The House Committee on Immigration and Naturalization will meet at 10 a. m. Thursday, January 17, room 445, House Office Building, to hold public hearings on bill H. R. 2753, regarding cancelation of citizenship of naturalized Americans who voted in the plebiscite in the Saar region, Germany.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

123. A letter from the Secretary of War, transmitting a report of designs, aircraft parts, and aeronautical accessories purchased by the War Department, the prices therefor and the reason for the award in each case; to the Committee on Expenditures in the Executive Departments.

124. A letter from the Secretary of the Interior, transmitting copy of a letter from the Commissioner of the General Land Office, dated January 9, 1935, transmitting report of the withdrawals and restorations of public lands in certain cases; to the Committee on Expenditures in the Executive Departments.

125. A letter from the Secretary of Commerce, transmitting 2 sets of the 4 classes of the general rules and regulations, as required by section 14 of the Seamen's Act, approved March 4, 1915, and as prescribed by the Board of Supervising Inspectors, with 3 supplements thereto; to the Committee on Interstate and Foreign Commerce.

126. A letter from the vice president of the Chesapeake & Potomac Telephone Co., transmitting a report for the year 1934; to the Committee on the District of Columbia.

127. A letter from the Secretary of Labor, transmitting report of statistical studies performed by the Department of Labor for other than Government activities; to the Committee on Labor.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 88. Joint resolution making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935; without amendment (Rept. No. 6). Referred to the Committee of the Whole House on the state of the Union.

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 3973. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; without amendment (Rept. No. 7). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 3247. A bill to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes; with amendment (Rept. No. 8). Referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

The bill (H. R. 1220) granting a pension to Venia Moody; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

The bill (H. R. 1685) granting a pension to Mary P. Paul; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

The bill (H. R. 1900) granting a pension to Ida Miller; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MEAD: A bill (H. R. 3972) to revise and amend the Food and Drugs Act of June 30, 1906, as amended August 23, 1912, March 3, 1913, March 4, 1913, July 24, 1919, January 18, 1927, July 8, 1930, and June 22, 1934, to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drugs, and cosmetics; to prevent the false advertising of food, drugs, and cosmetics; and to regulate traffic therein; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Missouri: A bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

By Mr. ELLENBOGEN: A bill (H. R. 3974) to amend the Home Owners' Loan Act of 1933, to reduce the rate of interest to 3½ percent, to extend the time of maturity to 25 years, to provide for authority to issue an additional two and one-half billion dollars of bonds, and for other purposes; to the Committee on Banking and Currency.

By Mr. DEEN: A bill (H. R. 3975) to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach; to the Committee on Interstate and Foreign Commerce.

By Mr. LORD: A bill (H. R. 3976) to provide for unemployment insurance; to the Committee on Ways and Means.

By Mr. McGROARTY: A bill (H. R. 3977) to promote the general welfare, to assure permanent employment and social security for all, and to stabilize business conditions through an assured definite and constant circulation of money and credit by the National Government, and for other purposes; to the Committee on Ways and Means.



By Mr. MAPES: A bill (H. R. 3978) declaring Armistice Day to be a legal public holiday; to the Committee on the Judiciary.

By Mr. RANKIN: A bill (H. R. 3979) to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay, and insurance, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. SIROVICH: A bill (H. R. 3980) to improve the Government service, and for other purposes; to the Committee on the Civil Service.

By Mr. BEITER: A bill (H. R. 3981) to provide braille medals for certain blind veterans; to the Committee on Military Affairs.

By Mr. BOEHNE: A bill (H. R. 3982) to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. BURCH: A bill (H. R. 3983) to legalize a bridge known as "Union Street Bridge", across the Dan River at Danville, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. HOEPPEL: A bill (H. R. 3984) to amend the rate of postage on air mail for official business sent by Members of Congress; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 3985) granting to certain enlisted men of the Army, honorably discharged for disability, the pay of retired warrant officers; to the Committee on Military Affairs.

By Mr. QUINN: A bill (H. R. 3986) to fix the weight of the gold dollar; to the Committee on Coinage, Weights, and Measures.

By Mr. RAMSAY: A bill (H. R. 3987) extending the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; to the Committee on Ways and Means.

By Mr. SECREST: A bill (H. R. 3988) to authorize the further improvement of rural free delivery mail roads and to aid in relieving unemployment throughout the country, and for other purposes; to the Committee on Roads.

By Mr. TAYLOR of Tennessee: A bill (H. R. 3989) to authorize the Secretary of Labor to deport aliens whose presence in the United States is inimical to the public interest; to the Committee on Immigration and Naturalization.

By Mr. YOUNG: A bill (H. R. 3990) to authorize the Home Owners' Loan Corporation to issue \$2,500,000,000 of additional bonds; to the Committee on Banking and Currency.

By Mr. GASSAWAY: A bill (H. R. 3991) to prohibit making any charge for the handling of the United States Treasury checks issued for personal services or in carrying out the activities of the Agricultural Adjustment Administration; to the Committee on Banking and Currency.

By Mr. MARTIN of Colorado: A bill (H. R. 3992) to amend the Agricultural Adjustment Act, as amended, by making beans a basic agricultural commodity; to the Committee on Agriculture.

By Mr. BERLIN: A bill (H. R. 3993) to prohibit the killing of migratory waterfowl during the period from July 1, 1935, until July 1, 1936, and for other purposes; to the Committee on Agriculture.

By Mr. AYERS: A bill (H. R. 3994) to provide for the issuance of route certificates to carriers on star routes, fixing the compensation of such carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MONAGHAN: A bill (H. R. 3995) for the relief of the aged; to the Committee on Labor.

By Mr. DINGELL: A bill (H. R. 3996) to provide for the issuance of \$2,000,000,000 in additional bonds of the Home Owners' Loan Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. PEYSER: A bill (H. R. 3997) to amend the Criminal Code; to the Committee on the Judiciary.

By Mr. WALLGREN: A bill (H. R. 3998) for the refunding of certain countervailing customs duties collected upon logs

imported from British Columbia; to the Committee on the Judiciary.

Also, a bill (H. R. 3999) to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children; to the Committee on Indian Affairs.

By Mr. O'CONNELL: A bill (H. R. 4000) authorizing certain officials under the Naval Establishment to administer oaths; to the Committee on Naval Affairs.

By Mr. BRUNNER: A bill (H. R. 4001) to permit shipment of intoxicating liquors via parcel post; to the Committee on the Judiciary.

By Mr. CELLER: A bill (H. R. 4002) to provide for the construction of two vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

By Mr. MURDOCK: A bill (H. R. 4003) to provide for the purchase of a certain lot of land in Cedar City, Utah; to the Committee on Public Buildings and Grounds.

By Mr. BOLAND: A bill (H. R. 4004) to amend section 1383 of the Revised Statutes of the United States; to the Committee on Naval Affairs.

By Mr. RAYBURN: A bill (H. R. 4005) to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 4006) to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNELL: A bill (H. R. 4007) to amend article 6 of the Articles for the Government of the Navy authorizing trial by court martial of any person in the naval service charged with the crime of murder committed without the geographical limits of the States of the Union and the District of Columbia; to the Committee on Naval Affairs.

Also, a bill (H. R. 4008) to provide for the better administration of justice in the Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 4009) to authorize certain officers of the Navy and Marine Corps to administer oaths; to the Committee on Naval Affairs.

By Mr. SCRUGHAM: A bill (H. R. 4010) authorizing the Secretary of the Interior to erect and lease or operate custom mills for the treatment of gold and silver ore; to the Committee on Mines and Mining.

By Mr. KNIFFIN: A bill (H. R. 4011) to authorize the wearing of miniature facsimile medals, with ribbon, by personnel of the Navy and Marine Corps who have been awarded medals; to the Committee on Naval Affairs.

Mr. McSWAIN (by request): A bill (H. R. 4012) to provide certain benefits for officers and enlisted men of the National Guard and the Organized Reserves who are physically injured in line of duty; to the Committee on Military Affairs.

By Mr. DIES: A bill (H. R. 4013) to provide for the payment of obligations of the United States Government, or of any State or political subdivision thereof, in currency and authorizing the issuance of \$5,000,000,000 of United States notes; to the Committee on Ways and Means.

By Mr. WEAVER: A bill (H. R. 4014) to extend the benefits of the act approved May 1, 1926, to persons who were employed as teamsters in the Military Establishment in the War with Spain or the Philippine Insurrection; to the Committee on Pensions.

By Mr. SECREST: A bill (H. R. 4015) authorizing the establishment of a filing and indexing service for useful Government publications; to the Committee on the Library.

By Mr. DREWRY: A bill (H. R. 4016) to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934; to the Committee on Naval Affairs.

By Mr. BLAND (by request): A bill (H. R. 4017) to amend section 21 of the act approved June 5, 1920, entitled "An act



to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes", as applied to the Virgin Islands of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 4018) to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. COCHRAN: A bill (H. R. 4019) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.; to the Committee on Public Buildings and Grounds.

By Mr. FLETCHER: A bill (H. R. 4020) extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes; to the Committee on the Civil Service.

By Mr. McCORMACK: A bill (H. R. 4021) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

Also, a bill (H. R. 4022) to provide for the refund of stamps used in respect of beer, ale, porter, or other similar fermented liquor which has become spoiled; to the Committee on Ways and Means.

By Mr. McFARLANE: A bill (H. R. 4023) to prohibit Members of Congress from employing their kinsfolk; to the Committee on Expenditures in the Executive Departments.

By Mr. DEBOEN: A bill (H. R. 4024) to amend an act of Congress approved June 13, 1933 (48 Stat. 139), entitled "An act to extend the mining laws of the United States to the Death Valley Monument in California"; to the Committee on the Public Lands.

By Mr. DREWRY: A bill (H. R. 4025) authorizing the assignment of two officers on the active list of the United States Marine Corps not below the rank of colonel to duty as assistants to the Major General Commandant of the Marine Corps; to the Committee on Naval Affairs.

By Mr. ROBERTSON: A bill (H. R. 4026) to amend section 5 of the act of March 2, 1919, generally known as the "War minerals relief statute"; to the Committee on Military Affairs.

By Mr. CELLER: A bill (H. R. 4027) to provide that moneys paid to contractors shall constitute trust funds; misapplication thereof to constitute a larceny; and to amend and supplement the act entitled "An act for the protection of persons furnishing materials and labor for the construction of public works", approved August 13, 1894, as amended by act approved February 24, 1905; to the Committee on the Judiciary.

By Mr. SABATH: Resolution (H. Res. 53) authorizing the Speaker to recognize the Chairman of the Committee on Claims after the reading of the Journal in reference to certain bills; to the Committee on Rules.

By Mr. WHITE: Resolution (H. Res. 54) to provide additional clerical help during present emergency; to the Committee on Accounts.

By Mr. SIROVICH: Resolution (H. Res. 55) authorizing hearings on operation and effect of patent pools; to the Committee on Rules.

By Mr. FISH: Resolution (H. Res. 56) requesting the names and addresses of all persons and corporations who own tax-exempt securities in the amount of \$100,000 or over; to the Committee on Ways and Means.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 90) authorizing the issuance of a special stamp in behalf of the island of Puerto Rico; to the Committee on the Post Office and Post Roads.

By Mr. SHANLEY: Joint resolution (H. J. Res. 91) directing the President of the United States of America to proclaim October 11 of each year as a memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SECREST: Joint Resolution (H. J. Res. 92) directing the Federal Trade Commission to investigate and report to the Senate and to the House of Representatives the cause or causes for the high prices of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNHAM: Joint resolution (H. J. Res. 94) providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes; to the Committee on Foreign Affairs.

By Mr. FERGUSON: Joint resolution (H. J. Res. 95) to amend section 9 of Public Law No. 67, Seventy-third Congress, otherwise known and cited as the "National Industrial Recovery Act"; to the Committee on Ways and Means.

By Mr. LEE of Oklahoma: Joint resolution (H. J. Res. 96) to prohibit the shipment in interstate and foreign commerce of petroleum and the products of petroleum produced in contravention of State laws, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIROVICH: Joint resolution (H. J. Res. 97) for the purpose of improving the Government service; to the Committee on the Civil Service.

By Mr. McFARLANE: Joint resolution (H. J. Res. 98) proposing an amendment to the Constitution of the United States relative to taxing certain incomes; to the Committee on the Judiciary.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 99) to transfer to the government of the capital, Puerto Rico, a parcel of land, and for other purposes; to the Committee on Naval Affairs.

By Mr. KNUTSON: Joint resolution (H. J. Res. 100) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH: Joint resolution (H. J. Res. 101) proposing an amendment to the Constitution of the United States empowering the United States and the several States to lay and collect taxes upon income derived from certain securities; to the Committee on the Judiciary.

By Mr. KELLER: Joint resolution (H. J. Res. 102) to provide that the National Archives Establishment shall be a designated depository of Government documents; to the Committee on the Library.

By Mr. McCORMACK: Joint resolution (H. J. Res. 103) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 104) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes; to the Committee on Ways and Means.

By Mr. PETTENGILL: Joint resolution (H. J. Res. 105) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 4028) for the relief of George W. Fenton; to the Committee on Claims.

Also, a bill (H. R. 4029) for the relief of Thomas Enchoff; to the Committee on Claims.

By Mr. BEAM: A bill (H. R. 4030) to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow



fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Military Affairs.

Also, a bill (H. R. 4031) for the relief of Stanley T. Gross; to the Committee on Claims.

By Mr. BRUNNER (by request): A bill (H. R. 4032) for the relief of Julius Zimmern; to the Committee on Claims.

By Mr. CARY: A bill (H. R. 4033) granting a pension to Maggie Sanders; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 4034) for the relief of Charles Szymanski; to the Committee on Claims.

Also, a bill (H. R. 4035) granting a pension to Laura C. Hobbs; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 4036) for the relief of Ralph C. Irwin; to the Committee on the Post Office and Post Roads.

By Mr. COSTELLO: A bill (H. R. 4037) granting a pension to Frank B. Hayes; to the Committee on Pensions.

By Mr. CROWE: A bill (H. R. 4038) for the relief of M. P. Creath; to the Committee on Claims.

Also, a bill (H. R. 4039) for the relief of Strother B. and Mary N. Earls; to the Committee on Claims.

Also, a bill (H. R. 4040) granting a pension to Edwin Wade Buford; to the Committee on Pensions.

Also, a bill (H. R. 4041) granting a pension to Eugene Moody; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4042) granting a pension to Sarah E. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4043) granting a pension to Emma Cole; to the Committee on Pensions.

Also, a bill (H. R. 4044) granting a pension to Edward C. Steward; to the Committee on Pensions.

Also, a bill (H. R. 4045) granting a pension to Major Buley; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 4046) for the relief of the Germania Catering Co., Inc.; to the Committee on Claims.

Also, a bill (H. R. 4047) granting 6 months' pay to James Zanetti; to the Committee on Naval Affairs.

By Mr. CULKIN: A bill (H. R. 4048) granting a pension to Dorothy King; to the Committee on Pensions.

Also, a bill (H. R. 4049) granting an increase of pension to Mary A. McNeil; to the Committee on Invalid Pensions.

By Mr. DIMOND: A bill (H. R. 4050) for the relief of the heirs of John Mitchell, alias Tonia Kyprios, deceased; to the Committee on Claims.

By Mr. DINGELL: A bill (H. R. 4051) to authorize a preliminary examination and survey of Detroit River, Mich.; to the Committee on Rivers and Harbors.

By Mr. DOBBINS: A bill (H. R. 4052) for the relief of the city of Decatur, a municipal corporation; to the Committee on Claims.

By Mr. FISH: A bill (H. R. 4053) granting a pension to Catherine Harrigan; to the Committee on Pensions.

By Mr. FLETCHER: A bill (H. R. 4054) for the relief of George E. Moody; to the Committee on Claims.

Also, a bill (H. R. 4055) for the relief of Henry J. Corcoran; to the Committee on Military Affairs.

By Mr. FORD of California: A bill (H. R. 4056) for the relief of Earl E. Keen; to the Committee on Military Affairs.

Also, a bill (H. R. 4057) granting a pension to Shirley R. Selvin; to the Committee on Pensions.

By Mr. FULMER: A bill (H. R. 4058) granting a pension to Clarence D. Sexton; to the Committee on Pensions.

By Mr. HIGGINS of Connecticut: A bill (H. R. 4059) for the relief of Ella B. Kimball, daughter and only heir of Jeremiah Simonson; to the Committee on Claims.

By Mr. HOUSTON: A bill (H. R. 4060) for the relief of Jessie T. Lafferty; to the Committee on Claims.

By Mr. IMHOFF: A bill (H. R. 4061) granting a pension to Viannie M. Walters; to the Committee on Invalid Pensions.

By Mr. JONES: A bill (H. R. 4062) for the relief of John F. Cain; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 4063) for the relief of Sol J. Hyman; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 4064) for the relief of Elmer Aloisious Roussey; to the Committee on Naval Affairs.

By Mr. KRAMER: A bill (H. R. 4065) for the relief of Mrs. Ida Appelbaum; to the Committee on Claims.

By Mr. McFARLANE: A bill (H. R. 4066) granting an increase of pension to David R. Majors; to the Committee on Pensions.

Also, a bill (H. R. 4067) for the relief of H. B. Van Emden; to the Committee on Claims.

Also, a bill (H. R. 4068) for the relief of R. F. Lane; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 4069) for the relief of Mary H. Jordan; to the Committee on Claims.

By Mr. MILLER: A bill (H. R. 4070) granting an increase of pension to Please Waits; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4071) granting a pension to Gracie Marie Kent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4072) granting a pension to Euell, Eldon, Lucille, Louise, Mary Sue, and Herman Joe Pollett; to the Committee on Pensions.

By Mr. MONAGHAN: A bill (H. R. 4073) for the relief of T. W. Robbins; to the Committee on Naval Affairs.

Also, a bill (H. R. 4074) for the relief of Joe Petran; to the Committee on Claims.

Also, a bill (H. R. 4075) for the relief of Marie M. Leipheimer; to the Committee on War Claims.

Also, a bill (H. R. 4076) granting a pension to Daisy Saunders; to the Committee on Pensions.

By Mr. MOTT: A bill (H. R. 4077) authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods; to the Committee on Flood Control.

Also, a bill (H. R. 4078) providing for a survey of the Skipanon Channel, Oreg.; to the Committee on Rivers and Harbors.

By Mr. O'BRIEN: A bill (H. R. 4079) for the relief of Garfield Arthur Ross; to the Committee on Claims.

By Mr. PATMAN: A bill (H. R. 4080) granting a pension to Tom F. Taylor; to the Committee on Pensions.

By Mr. PETTENGILL: A bill (H. R. 4081) for the relief of Peter S. Kaminski; to the Committee on Military Affairs.

By Mr. PIERCE: A bill (H. R. 4082) for the relief of St. Anthony's Hospital, Pendleton, Oreg.; to the Committee on Indian Affairs.

By Mr. PITTENGER: A bill (H. R. 4083) for the relief of Pete Jelovac; to the Committee on Claims.

Also, a bill (H. R. 4084) for the relief of Charles D. Jeronimus; to the Committee on Naval Affairs.

Also, a bill (H. R. 4085) for the relief of Joseph Watkins; to the Committee on Claims.

Also, a bill (H. R. 4086) for the relief of Ellis Duke, also known as "Elias Duke"; to the Committee on Claims.

Also, a bill (H. R. 4087) for the relief of John Cyrol; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 4088) for the relief of Alexander Hayes; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 4089) granting a pension to Anderson B. Curtis; to the Committee on Pensions.

Also, a bill (H. R. 4090) granting a pension to Frank Broyles; to the Committee on Pensions.

Also, a bill (H. R. 4091) granting an increase of pension to John D. Jones; to the Committee on Pensions.

By Mr. SANDERS of Texas: A bill (H. R. 4092) for the relief of Max Dole Gilfillan; to the Committee on Naval Affairs.

By Mr. SAUTHOFF: A bill (H. R. 4093) granting a pension to Lorian M. Blackman; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 4094) granting a pension to Earlene E. Rixey; to the Committee on Pensions.

By Mr. SMITH of Washington: A bill (H. R. 4095) providing for a survey of the Chehalis River from the mouth of



Skookumchuck River extending up the Chehalis River to the Ocean Beach highway bridge at Riverside Park, Chehalis, and to the deep water of the Chehalis River at the Grays Harbor County line, Washington; to the Committee on Rivers and Harbors.

By Mr. TARVER: A bill (H. R. 4096) for the relief of James Harold Hunter; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 4097) granting a pension to Spurgeon C. Portwood; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 4098) granting an increase of pension to Sarah H. Tefft; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 4099) for the relief of Joseph L. Plouffe; to the Committee on Military Affairs.

Also, a bill (H. R. 4100) granting a pension to Mary A. C. Scales; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 4101) granting a pension to Thomas Johnston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4102) granting a pension to Lewis Stamper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4103) granting a pension to Ned Johnston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4104) granting a pension to Minnie Allen Lacy; to the Committee on Invalid Pensions.

By Mr. WADSWORTH: A bill (H. R. 4105) for the relief of Julian C. Dorr; to the Committee on Claims.

Also, a bill (H. R. 4106) to authorize the presentation of the Congressional Medal of Honor to Clarence R. Oliver; to the Committee on Military Affairs.

By Mr. WALLGREN: A bill (H. R. 4107) granting a pension to Elmer K. Corbett; to the Committee on Pensions.

Also, a bill (H. R. 4108) granting a pension to Margaret Keefe; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 4109) granting a pension to Flora Duckett; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 4110) for the relief of Samuel J. Scharf; to the Committee on Claims.

By Mr. WOLCOTT: A bill (H. R. 4111) granting a pension to Richard J. Huss; to the Committee on Pensions.

Also, a bill (H. R. 4112) granting a pension to Maud Paterson; to the Committee on Pensions.

Also, a bill (H. R. 4113) granting a pension to Gussie Gates; to the Committee on Pensions.

Also, a bill (H. R. 4114) granting a pension to Jane Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4115) granting a pension to Mary Elizabeth O'Keefe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4116) granting a pension to Kate Hess; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4117) granting a pension to Margaret Fonda; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4118) granting a pension to Anna Lovejoy; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN: A bill (H. R. 4119) to provide a preliminary examination for the repair of certain breaks in the banks of the Delaware River in Tinicum Township, Delaware County, Pa., with a view to the control of its floods; to the Committee on Flood Control.

By Mr. DIMOND: Joint resolution (H. J. Res. 93) authorizing a preliminary examination or survey of Sitka Harbor, Alaska; to the Committee on Rivers and Harbors.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

153. By Mr. BACON: Petition of the Assembly of the State of New York, urging the designation of Floyd Bennett Field Airport, in the Borough of Brooklyn, N. Y., as an air-mail service station for the city of New York and its environs; to the Committee on the Post Office and Post Roads.

154. Also, petition of the Legislature of the State of New York, urging the consideration of Federal legislation to take profit out of war or of exclusively putting the business of

manufacturing war munitions in the hands of the Federal Government; to the Committee on Military Affairs.

155. Also, petition of the St. Joseph's Branch of the Holy Name Society, Babylon, Long Island, N. Y., protesting against the persecution of Catholic Church in Mexico, and urging withdrawal of American Ambassador to that country; to the Committee on Foreign Affairs.

156. By Mr. BELL: Petition of the Order of Benefit Association of Railroad Employees, George O'Neal, secretary; to the Committee on Interstate and Foreign Commerce.

157. Also, resolutions adopted by independent oil jobbers; to the Committee on Mines and Mining.

158. Also, petition favoring Townsend plan of old-age revolving pensions; to the Committee on Labor.

159. By Mr. BRUNNER: Resolution of the Queens County Committee, the American Legion, Department of New York, Queens Village, N. Y., asking Congress to make additional funds available for the Home Owners' Loan Corporation; to the Committee on Appropriations.

160. Also, resolution of Hon. E. S. Moran, State of New York, in assembly, Albany, N. Y., asking Congress to take appropriate action to the end that Floyd Bennett Field Airport in the Borough of Brooklyn, N. Y., be designated as an air mail service for the city of New York and the environs of such city; to the Committee on the Post Office and Post Roads.

161. By Mr. CANNON of Missouri: Petition of John Fox and 1,889 other citizens, of St. Charles County, Mo., favoring adoption of the Townsend plan for old-age pension; to the Committee on Labor.

162. By Mr. CROWTHER: Petition of the Gloversville (N. Y.) Lodge, No. 341, of the Czechoslovak Society of America in behalf of House bill 7598; to the Committee on Labor.

163. By CULKIN: Petition of Thousand Island Grange, No. 593, against the adoption of the Townsend plan of old-age pension; to the Committee on Labor.

164. Also, petition of the citizens of Copenhagen and vicinity, State of New York, favoring the Townsend plan of old-age revolving pensions; to the Committee on Labor.

165. By Mr. GOODWIN: Memorial of the Assembly of the State of New York, wherein it is resolved that the Congress of the United States and the Postmaster General be memorialized to take appropriate action to the end that the Floyd Bennett Field Airport in the Borough of Brooklyn, N. Y., be designated as an Air Mail Service station for the city of New York and its environs; to the Committee on the Post Office and Post Roads.

166. Also, petition of the Southern Commissioners of Agriculture and other cotton interests in the city of New Orleans, expressing appreciation to the Members of Congress for their passage of the excise bill for a tax on foreign oil and urge that this tax not be reduced, but may be extended as found necessary; to the Committee on Agriculture.

167. Also, petition of the Foreign Commerce Club of New York, Inc., voicing opposition to and the defeat of the St. Lawrence Seaway Pact; to the Committee on Interstate and Foreign Commerce.

168. Also, memorial of the State of New York, through its senate and assembly, submitting resolution no. 15, wherein it is resolved that the Legislature of the State of New York hereby memorializes the United States Congress to consider legislation looking to either taking all profits out of war, or putting the business of manufacturing munitions of war solely in the hands of the United States Government; to the Committee on Military Affairs.

169. Also, memorial of the State of New York, through concurrent resolution no. 16 passed by the senate and assembly, wherein it is resolved that the Secretary of Agriculture of the United States, be, and hereby is, requested to supplement the regulations made by this State pertaining to the production, handling, and marketing of milk within the State by making effective at the earliest date such Federal regulations as will place milk produced in other States and marketed within the State of New York under similar



regulations to those applied by this State to milk produced within its borders; to the Committee on Agriculture.

170. By Mr. KIMBALL: Petition of the citizens of the Third District of Michigan, favoring Townsend plan of old-age revolving pensions; to the Committee on Labor.

171. Also, resolution of the Battle Creek (Mich.) Division No. 219, Order of Benefit Association of Railway Employees, favoring enactment of legislation as recommended by the Federal Coordinator and covered in House bill 8100 of the Seventy-third Congress; to the Committee on Interstate and Foreign Commerce.

172. By Mr. KRAMER: Resolution of the board of directors of Redlands, Calif., with respect to communism; to the Committee on the Judiciary.

173. Also, resolution of the executive committee of the Southern California Chapter of the American Institute of Architects, Los Angeles, with respect to the maintenance of the strong motion seismographs recently installed in various sections of the State of California by the United States Coast and Geodetic Survey; to the Committee on Mines and Mining.

174. Also, resolution of the board of directors of the Redlands Chamber of Commerce, relative to the insidious propaganda which is being disseminated to undermine the sterling foundation of the Government of the United States of America and to overthrow our American social order, etc.; to the Committee on the Judiciary.

175. Also, resolution of the Independent Petroleum Association of America, with respect to the discrimination practiced by the Bureau of Public Roads in the Department of Agriculture against the domestic asphalt industry is to the detriment of American labor and of the national recovery program, etc.; to the Committee on Mines and Mining.

176. Also, resolution of the executive council of the California State Federation of Labor, with respect to the owners of the mines in and about Jackson, Amador County, Calif., having served public notice that they intend to flood certain mines and thus to make unavailable for America the raw gold so necessary for its recovery; to the Committee on Mines and Mining.

177. By Mr. LAMBERTSON: Petition of M. A. Warren and other citizens of Marshall County, Kans., urging the passage of an old-age pension in the amount of \$200 payable monthly to all persons of 60 years of age not engaged in a gainful business or profession and for a Federal retail sales tax to provide the revenue for such an old-age pension; to the Committee on Labor.

178. Also, petition of C. F. Teagarden and 101 other citizens of Marshall County, Kans., urging passage of the Frazier-Lemke farm-refinancing bill and cost-of-production legislation; to the Committee on Agriculture.

179. By Mr. LAMNECK: Petition of Mrs. Myron S. Seibert, of 1166 Wyandotte Road, and other citizens of Columbus, Ohio, urging that the Nye munitions investigation be continued; to the Committee on Military Affairs.

180. By Mr. MARTIN of Massachusetts: Petition of Elsie P. Tragard and 120 other residents of Mansfield, Charles C. Conrod and 9 other residents of Plainville, Willa C. Dutton and 9 other residents of Foxboro, all of the State of Massachusetts, advocating the Townsend plan of old-age revolving pensions; to the Committee on Labor.

181. By Mr. PFEIFER: Petition of the National Fur Tax Committee, New York City, opposing House bill 7835, section 608, of the Revenue Act of 1934; to the Committee on Ways and Means.

182. Also, petition of the Assembly of the State of New York, Albany, favoring designation of Floyd Bennett Field Airport, in the Borough of Brooklyn, as an Air Mail Service station for the city of New York and its environs; to the Committee on the Post Office and Post Roads.

183. Also, petition of the Senate of the State of New York, Albany, urging Congress to consider legislation taking profits out of war or the manufacturing of munitions of war by the United States Government; to the Committee on Military Affairs.

184. Also, petition of the Senate of the State of New York, Albany, urging the Secretary of Agriculture to supplement the regulations made by New York State pertaining to the production, handling, and marketing of milk; to the Committee on Agriculture.

185. Also, petition of Knights of Columbus, Long Island Chapter, New York City, consisting of 68 councils in Kings, Queens, Nassau, and Suffolk Counties, protesting against the persecution of the religious in Mexico, refrain from trade relations with that country, and urging tourists not to visit Mexico; to the Committee on Foreign Affairs.

186. By Mr. RUDD: Petition of the Architectural Sculptors and Carvers' Association, New York City, favoring the Black-Connelly 30-hour-week bill; to the Committee on Labor.

187. Also, memorial of the Legislature of the State of New York, that the Secretary of Agriculture of the United States, be, and hereby is, requested to supplement the regulations made by the State pertaining to the production, handling, and marketing of milk within the State by making effective at the earliest possible date such Federal regulations as will place milk produced in other States and marketed within the State of New York under similar regulations to those applied by this State to milk produced within its borders; to the Committee on Agriculture.

188. Also, memorial of the Legislature of the State of New York, favoring legislation taking all profits out of war, or putting the business of manufacturing munitions of war solely in the hands of the United States Government; to the Committee on Military Affairs.

189. Also, petition of the Long Island Chapter, Knights of Columbus, consisting of 23,000 members in 68 councils in Kings, Queens, Nassau, and Suffolk Counties, in the State of New York, protesting against the reign of terror in Mexico, etc.; to the Committee on Foreign Affairs.

190. By Mr. PFEIFER: Petition of Miller & Weisman, manufacturing furriers, New York City, urging the repeal of the 10-percent excise tax on furs wholesaling at \$75, as provided in section 608 of the Revenue Act of 1934; to the Committee on Ways and Means.

191. By Mr. SANDERS of Texas: Petition of the Bethlehem Baptist Church, Tyler, Tex., urging passage of Costigan-Wagner antilynch bill; to the Committee on the Judiciary.

192. By Mr. SHANNON: Resolutions adopted by Kansas City Division, No. 88, Order of Benefit Association of Railway Employees, urging the enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation; to the Committee on Interstate and Foreign Commerce.

193. By Mr. WELCH: Petition, containing 30 signatures, favoring the Townsend plan for old-age pensions; to the Committee on Labor.

194. By Mr. WERNER: Petition of citizens of Trippe County, S. Dak., urging an appropriation for seed grain conserved on the basis of repayment in seed; to the Committee on Agriculture.

195. By Mr. LEHLBACH: Petition regarding munition sales; to the Committee on Interstate and Foreign Commerce.

196. By Mr. TRUAX: Petition of State Water Conservation Board, Columbus, Ohio, by Daniel C. Warner, executive secretary, recommending to the President and the Congress of the United States that the Civilian Conservation Corps be increased in numbers to 1,000,000 enrollees; also conservation of natural resources through the trinity of source-stream control by forestation, by soil-erosion prevention, and by many small slack-water reservoirs; to the Committee on Labor.

197. Also, petition of Local Union No. 1802 of the United Brotherhood of Carpenters and Joiners of America, requesting the Honorable ROBERT F. WAGNER, Senator of the State of New York, to introduce again his labor-disputes bill, in its original form, with certain amendments; and urging



Senators and Representatives to support this bill in its amended form as herein suggested; to the Committee on Labor.

198. Also, petition of the Ohio Buckeye Brewers Association, of Cleveland, Ohio, requesting that Members of Congress give early consideration to the reduction of the present taxes on beer and other brewery products; to the Committee on Ways and Means.

199. Also, petition of the City Council of Maple Heights, Ohio, endorsing and bringing to the attention of the Seventy-fourth Congress of the United States, the workers' unemployment and social insurance bill, known as "House bill 7593"; to the Committee on Labor.

## SENATE

THURSDAY, JANUARY 17, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God and Father of mankind, ere we enter upon the duties of another day we would first commit our soul and life to Thy almighty care. Lead us, O Father, just as Thou wilt, and when and where, for Thou alone canst direct our wills by noble motives in accordance with the claims on us of right and love.

If we have lingered overlong in the valley of contentment and a stern fate mocks our selfish aims, give us the courage of men who dare to scale the heights where we may see the everlasting things that matter for our Nation, the peaks of honor, truth, and righteousness, and, clad in spotless white, the towering pinnacle of sacrifice, pointing with pierced hand to the city that hath eternal foundation whose builder and maker is God.

We ask it in the name of Jesus Christ, our Lord and Savior. Amen.

### THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Wednesday, January 16, 1935, when, on request of Mr. ROBINSON and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, in which it requested the concurrence of the Senate.

### SENATOR FROM NEW MEXICO—NOTICE OF CONTEST

The VICE PRESIDENT laid before the Senate a letter from J. W. Gum, attorney at law, Washington, D. C., submitting a notice served by Dennis Chavez, of New Mexico, upon Hon. BRONSON M. CUTTING of his intention to contest the right of Mr. CUTTING to a seat in the Senate for the term beginning January 3, 1935, which, with the accompanying paper, was referred to the Committee on Privileges and Elections.

### CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Fletcher	Lewis
Austin	Capper	Frazier	Logan
Bachman	Caraway	Gerry	Loneragan
Bailey	Clark	Glass	Long
Bankhead	Connally	Gore	Maloney
Barbour	Coolidge	Guffey	McCarran
Bilbo	Copeland	Hale	McGill
Black	Costigan	Harrison	McNary
Bone	Couzens	Hastings	Metcalf
Borah	Cutting	Hatch	Minton
Bulkley	Davis	Hayden	Moore
Bulow	Dieterich	Johnson	Murphy
Burke	Donahey	Keyes	Murray
Byrd	Duffy	King	Neely

Norris	Robinson	Steiwer	Vandenberg
Nye	Russell	Thomas, Okla.	Van Nuys
O'Mahoney	Schall	Thomas, Utah	Wagner
Pittman	Schwellenbach	Townsend	Walsh
Pope	Sheppard	Trammell	Wheeler
Radcliffe	Smith	Truman	White
Reynolds			

Mr. LEWIS. I announce the absence of the Senator from Arizona [Mr. ASHURST], the Senator from New Hampshire [Mr. BROWN], and the Senator from Kentucky [Mr. BARKLEY], who are detained on official business.

I regret to announce the absence of the Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON], occasioned by illness, they being confined to their rooms.

I repeat the announcement as to the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. McADOO], and the Senator-elect from Tennessee [Mr. McKELLAR] on business of the Senate in connection with the Philippine Commission.

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines on the business of the Senate; that the Senator from South Dakota [Mr. NORBECK] is unavoidably detained; and that the Senator from Wyoming [Mr. CAREY] is absent on account of a death in his family.

I wish further to announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent and that the Senator from Minnesota [Mr. SHIPSTEAD] is detained from the Senate on official business.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

### COST-ASCERTAINMENT REPORT, POST OFFICE DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting, pursuant to law, the cost-ascertainment report of the Post Office Department for the fiscal year 1934, which, with the accompanying report, was referred to the Committee on Post Offices and Post Roads.

### INDUSTRIAL PRICES AND THEIR RELATIVE INFLEXIBILITY (S. DOC. NO. 13)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, submitting, pursuant to Senate Resolution 17 (submitted by Mr. BORAH and agreed to on Jan. 7, 1935), a report prepared by Gardiner C. Means, economic adviser on finance, touching the subject of industrial prices and their relative inflexibility, which, with the accompanying papers, was ordered to lie on the table and to be printed with illustrations.

### SEPTEMBER REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATOR

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Federal Emergency Relief Administration, transmitting, pursuant to law, the report of the Administrator, covering the period of September 1 to September 30, 1934, inclusive, which, with the accompanying report, was ordered to lie on the table.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by 101 members of Wayne County Post, No. 3200, Veterans of Foreign Wars of the United States, Jesup, Ga., condemning the action of 135 of the veterans' rank-and-file committee which left Savannah, Ga., for Washington, D. C., for the purpose of forming a bonus march and other allied activities and to excite sympathy in favor of the payment of adjusted-service certificates, which was ordered to lie on the table.

He also laid before the Senate a letter from the Adjutant General (Edwin S. Bettelheim, Jr.) of the Military Order of the World War, embodying a resolution adopted by the fourteenth annual convention of that order at Miami, Fla., opposing the entry of the United States into either the League of Nations or the World Court, which was ordered to lie on the table.

Mr. CAPPER presented a petition of the committee of the Ladies Society to the Brotherhood of Locomotive Firemen